



HB 0011A

2003

1 A bill to be entitled

2 An act relating to the Budget Stabilization Fund; amending
3 s. 216.222, F.S.; providing for transferring moneys from
4 the fund to the General Revenue Fund in an emergency;
5 specifying conditions of an emergency; requiring a self-
6 insurance reserve fund to be maintained at certain levels;
7 providing for transfers from the Budget Stabilization Fund
8 to the State Risk Management Trust Fund under certain
9 circumstances; providing limitations; providing for
10 construction of the act in pari materia with laws enacted
11 during the 2003 Regular Session of the Legislature;
12 providing an effective date.

13
14 WHEREAS, the Division of Risk Management provides property
15 insurance coverage for all agencies within the executive,
16 legislative, and judicial branches of state government, and

17 WHEREAS, the state self-insures for the first \$2 million of
18 each loss with an annual aggregate of \$5 million and a \$100,000
19 trailing deductible and for the first \$4 million of each loss
20 for windstorm with an aggregate of \$8 million, and \$100,000 per
21 occurrence trailing, and

22 WHEREAS, coverage above the retained amount is obtained
23 through a series of coverages, and

24 WHEREAS, the first level of insurance purchased, which is
25 the amount above the coverage retained by the state up to
26 coverage of \$20 million, has become increasingly costly, and

27 WHEREAS, since September 11, 2001, coverage has not only
28 increased in cost but provides less coverage, and

29 WHEREAS, in the last 10-year period, there has been only
30 one year in which claims have exceeded \$2 million, and



HB 0011A

2003

31 WHEREAS, coverage above the retained amount up to \$20
32 million costs over \$6 million in the current fiscal year, and

33 WHEREAS, insurance over the \$20 million level is readily
34 obtainable and more reasonably priced such that it is in the
35 best interest of the state to purchase insurance coverage for
36 losses exceeding the \$20 million level, and

37 WHEREAS, the Legislature finds that property losses in
38 excess of the coverage retained by the state constitute an
39 emergency situation upon which it is appropriate to use moneys
40 from the Budget Stabilization Fund to cover such losses, NOW,
41 THEREFORE,

42
43 Be It Enacted by the Legislature of the State of Florida:

44
45 Section 1. Section 216.222, Florida Statutes, is amended
46 to read:

47 216.222 Budget Stabilization Fund; criteria for
48 withdrawing moneys.--Moneys in the Budget Stabilization Fund may
49 be transferred to the General Revenue Fund for:

50 (1)(a) Offsetting a deficit in the General Revenue Fund. A
51 deficit is deemed to occur when the official estimate of funds
52 available in the General Revenue Fund for a fiscal year falls
53 below the total amount appropriated from the General Revenue
54 Fund for that fiscal year. Such a transfer must be made pursuant
55 to s. 216.221, or pursuant to an appropriation by law.

56 (b) Notwithstanding the requirements of s. 216.221, if,
57 after consultation with the Revenue Estimating Conference, the
58 Comptroller believes that a deficit will occur in the General
59 Revenue Fund and if:



HB 0011A

2003

60 1. Fewer than 30 but more than 4 days are left in the
61 fiscal year, the Legislature is not in session, and neither the
62 Legislature nor the Legislative Budget Commission is scheduled
63 to meet before the end of the fiscal year, or

64 2. Fewer than 5 days are left in the fiscal year and the
65 Governor and the Chief Justice, the Legislature, or the
66 Legislative Budget Commission have not implemented measures to
67 resolve the deficit,

68

69 the Comptroller shall certify the deficit to the Governor, the
70 Chief Justice, the President of the Senate, and the Speaker of
71 the House of Representatives, and may thereafter withdraw funds
72 from the Budget Stabilization Fund to offset the projected
73 deficit in the General Revenue Fund. The Comptroller shall
74 consult with the Governor and the chair and vice chair of the
75 Legislative Budget Commission before any funds may be withdrawn
76 from the Budget Stabilization Fund. At the beginning of the next
77 fiscal year, the Comptroller shall promptly determine the
78 General Revenue Fund balance to be carried forward. The
79 Comptroller shall immediately repay the Budget Stabilization
80 Fund for the withdrawn amount, up to the amount of the balance.
81 If the General Revenue Fund balance carried forward is not
82 sufficient to fully repay the Budget Stabilization Fund, the
83 repayment of the remainder of the withdrawn funds shall be as
84 provided in s. 215.32(2)(c)3.

85 (2) Providing funding for an emergency as defined in s.
86 252.34. The emergency must have been declared by the Governor
87 pursuant to s. 252.36 or declared by law. Such a transfer must
88 be made pursuant to s. 252.37, subject to the conditions in that
89 section, or pursuant to an appropriation by law.



HB 0011A

2003

90 (3) Providing funding for an emergency as defined in this
91 subsection. For purposes of this subsection, an emergency exists
92 when the self-insurance reserve fund maintained by the Division
93 of Risk Management to cover losses to state property has been
94 depleted.

95 (a) The self-insurance reserve fund shall be maintained at
96 the same level for the same coverage as existed for fiscal year
97 2002-2003.

98 (b) At such time that the Division of Risk Management
99 certifies that the property insurance reserve has been depleted,
100 the division shall request a budget amendment through the
101 procedures set out in s. 216.181 to transfer \$2 million from the
102 Budget Stabilization Fund to the State Risk Management Trust
103 Fund. Transfers shall be made in allotments of \$2 million. Total
104 transfers into the fund pursuant to this paragraph in any fiscal
105 year shall not exceed \$20 million.

106 (4)~~(3)~~ Providing temporary transfers to the General
107 Revenue Fund pursuant to s. 215.18.

108 Section 2. If any law amended by this act was also amended
109 by a law enacted at the 2003 Regular Session of the Legislature,
110 such laws shall be construed as if they had been enacted at the
111 same session of the Legislature, and full effect shall be given
112 to each if possible.

113 Section 3. This act shall take effect upon becoming a law.