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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 of funds from  
 4           the Budget Stabilization Fund to the State Risk Management  
 5           Trust Fund for emergencies relating to certain property  
 6           losses incurred by the state; specifying conditions of  
 7           such an emergency; providing certain limitations on such  
 8           transfers; amending s. 215.18, F.S.; conforming a cross  
 9           reference; providing an effective date.

10  
 11           WHEREAS, the Division of Risk Management provides property  
 12           insurance coverage for all agencies within the executive,  
 13           legislative, and judicial branches of state government, and

14           WHEREAS, the state has historically retained losses of up  
 15           to \$2 million per occurrence, \$5 million annual aggregate, and  
 16           has obtained excess property insurance for higher amounts, and

17           WHEREAS, claims historically have seldom exceeded that  
 18           retention level, and

19           WHEREAS, insurance coverage above the retained amount and  
 20           up to \$40 million costs approximately \$8.6 million for coverage  
 21           for the 2002-2003 fiscal year, and

22           WHEREAS, excess property insurance with an annual  
 23           aggregate retention of \$40 million is readily obtainable and  
 24           more reasonably priced such that it is in the best interest of  
 25           the state to purchase insurance coverage for losses exceeding  
 26           the \$40 million aggregate retention level, and

27           WHEREAS, it appears financially prudent to provide an  
 28           alternative mechanism for paying unanticipated losses of up to  
 29           \$40 million annual aggregate retention, and

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30 WHEREAS, the Legislature further finds that property  
 31 losses in excess of the coverage historically retained by the  
 32 state constitute an unanticipated financial need, and

33 WHEREAS, an unanticipated financial need that the  
 34 Legislature has found must be funded to serve the essential  
 35 state responsibility of maintaining state buildings constitutes  
 36 an emergency, and

37 WHEREAS, it would be appropriate to use moneys from the  
 38 Budget Stabilization Fund to cover such an emergency, NOW,  
 39 THEREFORE,

40

41 Be It Enacted by the Legislature of the State of Florida:

42

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

45 216.222 Budget Stabilization Fund; criteria for  
 46 withdrawing moneys.--

47 (1) Moneys in the Budget Stabilization Fund may be  
 48 transferred to the General Revenue Fund for:

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

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

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

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

67  
 68 the Chief Financial Officer shall certify the deficit to the  
 69 Governor, the Chief Justice, the President of the Senate, and  
 70 the Speaker of the House of Representatives, and may thereafter  
 71 withdraw funds from the Budget Stabilization Fund to offset the  
 72 projected deficit in the General Revenue Fund. The Chief  
 73 Financial Officer shall consult with the Governor and the chair  
 74 and vice chair of the Legislative Budget Commission before any  
 75 funds may be withdrawn from the Budget Stabilization Fund. At  
 76 the beginning of the next fiscal year, the Chief Financial  
 77 Officer shall promptly determine the General Revenue Fund  
 78 balance to be carried forward. The Chief Financial Officer shall  
 79 immediately repay the Budget Stabilization Fund for the  
 80 withdrawn amount, up to the amount of the balance. If the  
 81 General Revenue Fund balance carried forward is not sufficient  
 82 to fully repay the Budget Stabilization Fund, the repayment of  
 83 the remainder of the withdrawn funds shall be as provided in s.  
 84 215.32(2)(c)3.

85 (b)(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

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88 be made pursuant to s. 252.37, subject to the conditions in that  
 89 section, or pursuant to an appropriation by law.

90 ~~(c)(3)~~ Providing temporary transfers to the General  
 91 Revenue Fund pursuant to s. 215.18.

92 (2)(a) Moneys in the Budget Stabilization Fund may be  
 93 transferred to the State Risk Management Trust Fund to provide  
 94 funding for an emergency. For purposes of this subsection, an  
 95 emergency exists when uninsured losses to state property exceed  
 96 \$2 million per occurrence or \$5 million annual aggregate, as  
 97 this constitutes an unanticipated financial need that the  
 98 Legislature has found must be funded to serve an essential state  
 99 responsibility.

100 (b) At such time that the Division of Risk Management  
 101 certifies that uninsured property losses exceed \$2 million per  
 102 occurrence or \$5 million annual aggregate, the division shall  
 103 request a budget amendment through the procedures set out in s.  
 104 216.181. Transfers into the State Risk Management Trust Fund  
 105 pursuant to this paragraph may not exceed \$38 million in any  
 106 fiscal year.

107 Section 2. Section 215.18, Florida Statutes, is amended to  
 108 read:

109 215.18 Transfers between funds; limitation.--Whenever  
 110 there exists in any fund provided for by s. 215.32 a deficiency  
 111 which would render such fund insufficient to meet its just  
 112 requirements, and there shall exist in the other funds in the  
 113 State Treasury moneys which are for the time being or otherwise  
 114 in excess of the amounts necessary to meet the just requirements  
 115 of such last-mentioned funds, the Governor may order a temporary  
 116 transfer of moneys from one fund to another in order to meet

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117 temporary deficiencies in a particular fund without resorting to  
118 the necessity of borrowing money and paying interest thereon.

119 Except as otherwise provided in s. 216.222(1)(a)2.~~(b)~~, the fund  
120 from which any money is temporarily transferred shall be repaid  
121 the amount transferred from it not later than the end of the  
122 fiscal year in which such transfer is made, the date of  
123 repayment to be specified in the order of the Governor.

124 Section 3. This act shall take effect July 1, 2004.