

Bill No. SB 1998

Barcode 272676

CHAMBER ACTION

Senate

House

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Senator Alexander moved the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Subsection (7) is added to section 17.57,  
Florida Statutes, to read:

17.57 Deposits and investments of state money.--

(7) In addition to the deposits authorized under this section and notwithstanding any other provisions of law, funds that are not needed to meet the disbursement needs of the state may be deposited by the Chief Financial Officer in accordance with the following conditions:

(a) The funds are initially deposited in a qualified public depository, as defined in s. 280.02, selected by the Chief Financial Officer.

(b) The selected depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, wherever located, for the account of the state.

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1       (c) The full amount of principal and accrued interest  
2 of each such certificate of deposit is insured by the Federal  
3 Deposit Insurance Corporation.

4       (d) The selected depository acts as custodian for the  
5 state with respect to such certificates of deposit issued for  
6 its account.

7       (e) At the same time the state's funds are deposited  
8 and the certificates of deposit are issued, the selected  
9 depository receives an amount of deposits from customers of  
10 other federally insured financial institutions, wherever  
11 located, equal to or greater than the amount of the funds  
12 initially invested by the Chief Financial Officer through the  
13 selected depository.

14           Section 2. Subsection (23) is added to section  
15 218.415, Florida Statutes, to read:

16           218.415 Local government investment  
17 policies.--Investment activity by a unit of local government  
18 must be consistent with a written investment plan adopted by  
19 the governing body, or in the absence of the existence of a  
20 governing body, the respective principal officer of the unit  
21 of local government and maintained by the unit of local  
22 government or, in the alternative, such activity must be  
23 conducted in accordance with subsection (17). Any such unit of  
24 local government shall have an investment policy for any  
25 public funds in excess of the amounts needed to meet current  
26 expenses as provided in subsections (1)-(16), or shall meet  
27 the alternative investment guidelines contained in subsection  
28 (17). Such policies shall be structured to place the highest  
29 priority on the safety of principal and liquidity of funds.  
30 The optimization of investment returns shall be secondary to  
31 the requirements for safety and liquidity. Each unit of local

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1 government shall adopt policies that are commensurate with the  
2 nature and size of the public funds within its custody.

3 (23) AUTHORIZED DEPOSITS.--In addition to the  
4 investments authorized for local governments in subsections  
5 (16) and (17) and notwithstanding any other provisions of law,  
6 a unit of local government may deposit any portion of surplus  
7 public funds in its control or possession in accordance with  
8 the following conditions:

9 (a) The funds are initially deposited in a qualified  
10 public depository, as defined in s. 280.02, selected by the  
11 unit of local government.

12 (b) The selected depository arranges for the deposit  
13 of the funds in certificates of deposit in one or more  
14 federally insured banks or savings and loan associations,  
15 wherever located, for the account of the unit of local  
16 government.

17 (c) The full amount of principal and accrued interest  
18 of each such certificate of deposit is insured by the Federal  
19 Deposit Insurance Corporation.

20 (d) The selected depository acts as custodian for the  
21 unit of local government with respect to such certificates of  
22 deposit issued for its account.

23 (e) At the same time the unit of local government's  
24 funds are deposited and the certificates of deposit are  
25 issued, the selected depository receives an amount of deposits  
26 from customers of other federally insured financial  
27 institutions, wherever located, equal to or greater than the  
28 amount of the funds initially invested by the unit of local  
29 government through the selected depository.

30 Section 3. Subsection (3) of section 280.03, Florida  
31 Statutes, is amended to read:

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1           280.03 Public deposits to be secured; prohibitions;  
2 exemptions.--

3           (3) The following are exempt from the requirements of,  
4 and protection under, this chapter:

5           (a) Public deposits deposited in a bank or savings  
6 association by a trust department or trust company which are  
7 fully secured under trust business laws.

8           (b) Moneys of the System Trust Fund, as defined in s.  
9 121.021(36).

10           (c) Public deposits held outside the country.

11           (d) Wire transfers and transfers of funds solely for  
12 the purpose of paying registrars and paying agents.

13           (e) Public deposits which are fully secured under  
14 federal regulations.

15           (f) Public deposits made in accordance with s.  
16 17.57(7) or s. 218.415(23).

17           Section 4. This act shall take effect July 1, 2005.

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20 ===== T I T L E   A M E N D M E N T =====

21 And the title is amended as follows:

22           Delete everything before the enacting clause

23

24 and insert:

25                           A bill to be entitled

26           An act relating to deposit of public funds;  
27 amending s. 17.57, F.S.; providing additional  
28 authorization for the Chief Financial Officer  
29 to deposit state funds; amending s. 218.415,  
30 F.S.; providing additional authorization for  
31 units of local government to deposit surplus

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1 local government funds; amending s. 280.03,  
2 F.S.; exempting certain public deposits from  
3 the security for public deposits requirements  
4 of chapter 280, F.S.; providing an effective  
5 date.

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