

1                                   A bill to be entitled  
 2           An act relating to deposit of public funds; amending s.  
 3           17.57, F.S.; providing additional authorization for the  
 4           Chief Financial Officer to deposit state funds; amending  
 5           s. 218.415, F.S.; providing additional authorization for  
 6           units of local government to deposit surplus local  
 7           government funds; amending s. 280.03, F.S.; exempting  
 8           certain public deposits from the security for public  
 9           deposits requirements of chapter 280, F.S.; providing an  
 10          effective date.

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

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

16           17.57 Deposits and investments of state money.--

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

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

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

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

32        (d) The selected depository acts as custodian for the  
 33 state with respect to such certificates of deposit issued for  
 34 its account.

35        (e) At the same time the state's funds are deposited and  
 36 the certificates of deposit are issued, the selected depository  
 37 receives an amount of deposits from customers of other federally  
 38 insured financial institutions, wherever located, equal to or  
 39 greater than the amount of the funds initially invested by the  
 40 Chief Financial Officer through the selected depository.

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

43        218.415 Local government investment policies.--Investment  
 44 activity by a unit of local government must be consistent with a  
 45 written investment plan adopted by the governing body, or in the  
 46 absence of the existence of a governing body, the respective  
 47 principal officer of the unit of local government and maintained  
 48 by the unit of local government or, in the alternative, such  
 49 activity must be conducted in accordance with subsection (17).  
 50 Any such unit of local government shall have an investment  
 51 policy for any public funds in excess of the amounts needed to  
 52 meet current expenses as provided in subsections (1)-(16), or  
 53 shall meet the alternative investment guidelines contained in  
 54 subsection (17). Such policies shall be structured to place the  
 55 highest priority on the safety of principal and liquidity of  
 56 funds. The optimization of investment returns shall be secondary

57 | to the requirements for safety and liquidity. Each unit of local  
58 | government shall adopt policies that are commensurate with the  
59 | nature and size of the public funds within its custody.

60 |       (23) AUTHORIZED DEPOSITS.--In addition to the investments  
61 | authorized for local governments in subsections (16) and (17)  
62 | and notwithstanding any other provisions of law, a unit of local  
63 | government may deposit any portion of surplus public funds in  
64 | its control or possession in accordance with the following  
65 | conditions:

66 |       (a) The funds are initially deposited in a qualified  
67 | public depository, as defined in s. 280.02, selected by the unit  
68 | of local government.

69 |       (b) The selected depository arranges for the deposit of  
70 | the funds in certificates of deposit in one or more federally  
71 | insured banks or savings and loan associations, wherever  
72 | located, for the account of the unit of local government.

73 |       (c) The full amount of principal and accrued interest of  
74 | each such certificate of deposit is insured by the Federal  
75 | Deposit Insurance Corporation.

76 |       (d) The selected depository acts as custodian for the unit  
77 | of local government with respect to such certificates of deposit  
78 | issued for its account.

79 |       (e) At the same time the unit of local government's funds  
80 | are deposited and the certificates of deposit are issued, the  
81 | selected depository receives an amount of deposits from  
82 | customers of other federally insured financial institutions,  
83 | wherever located, equal to or greater than the amount of the

84 funds initially invested by the unit of local government through  
 85 the selected depository.

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

88 280.03 Public deposits to be secured; prohibitions;  
 89 exemptions.--

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

92 (a) Public deposits deposited in a bank or savings  
 93 association by a trust department or trust company which are  
 94 fully secured under trust business laws.

95 (b) Moneys of the System Trust Fund, as defined in s.  
 96 121.021(36).

97 (c) Public deposits held outside the country.

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

100 (e) Public deposits which are fully secured under federal  
 101 regulations.

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

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