

1 A bill to be entitled
2 An act relating to rural economic development;
3 creating ch. 291, F.S., providing a short title;
4 providing definitions; establishing the Florida Rural
5 Economic Development Commission under the Department
6 of Agriculture and Consumer Services; providing for
7 membership, terms, reimbursement for per diem and
8 travel expenses, conflict of interest, and meetings;
9 providing that meetings and records are subject to
10 chs. 119 and 286, F.S., relating to public records and
11 public meetings; providing for certain officers and
12 employees; providing for the administration of the
13 chapter; providing powers, including the authority to
14 adopt rules; providing for the purchase and sale of
15 rural development loans; providing for loans to and
16 deposits of funds with lending institutions;
17 authorizing insurance of rural development loans;
18 authorizing issuance of bonds; exempting contracts
19 from the provisions of ch. 287, F.S., relating to
20 competitive bids; providing any pledge of funds,
21 assets, or revenues is subject to a lien; providing
22 for the refunding of bonds; authorizing the commission
23 to purchase commission-issued bonds; exempting
24 property and obligations from local and state taxes;
25 providing certain covenant of the state; providing for
26 funds to be held in trust; declaring bonds are
27 securities; providing for the creation of accounts and
28 audits of the accounts; providing for cooperation of

29 state agencies; providing for liberal construction of
 30 the chapter; providing for deposit of certain assets
 31 in the General Revenue Fund upon termination of the
 32 commission; amending s. 159.804, F.S.; providing for
 33 certain percent allocation to the rural economic
 34 development bond pool from the allocation of state
 35 volume limitation for private activity bonds; creating
 36 s. 159.8082, F.S.; creating the rural economic
 37 development bond pool; providing purpose; providing
 38 for allocation to the pool; amending s. 159.809, F.S.;
 39 providing for recapture of certain unused allocations
 40 to be returned pro rata to certain pools; providing an
 41 effective date.

42

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

44

45 Section 1. Chapter 291, Florida Statutes, consisting of
 46 sections 291.011, 291.021, 291.031, 291.041, 291.051, 291.061,
 47 291.071, 291.081, 291.091, 291.101, 291.111, 291.121, 291.131,
 48 291.141, 291.151, 291.161, 291.171, 291.181, 291.191, 291.201,
 49 and 291.211, is created to read:

50 291.011 Short title.--This chapter may be cited as the
 51 "Florida Rural Economic Development Act."

52 291.021 Definitions.--As used in this chapter:

53 (1) "Agricultural improvement" means any improvement,
 54 building, structure, fixture, or equipment suitable for use in
 55 farming, producing, or processing agricultural products or
 56 byproducts; energy conserving equipment and renewable energy

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57 equipment and technology, such as biogas turbines or internal
58 combustion engines, low-pressure irrigation pumps, gasifiers,
59 hydrogen fuel cells, ethanol production facilities, aerobic
60 digesters, and anaerobic digesters; water conservation and
61 pollution prevention devices; and other similar technology
62 located on agricultural land in this state.

63 (2) "Agricultural land" means land in this state suitable
64 for use in farming, producing, or processing animal or plant
65 products, including waste disposal, and federally recognized
66 Indian tribal government lands.

67 (3) "Agricultural processor" means a person who engages in
68 the business of processing products derived from animals or
69 plants and their byproducts within this state, including,
70 without limitation, agricultural commodities, biomass and biogas
71 energy, compost, waste treatment facilities, organic fertilizer,
72 soil amendment processing, and any and all products disposed of
73 or made or derived from agricultural or biomass stock, as
74 defined by the commission under rules adopted by the commission
75 from time to time under chapter 120.

76 (4) "Agricultural producer" means a person who engages in
77 the business of producing and marketing products derived from
78 animals or plants and their byproducts in this state and
79 includes a farmer.

80 (5) "Audit" means the annual audit of the commission's
81 accounting records by the commission's certified public
82 accountants and shall include any audit required of the
83 commission by the federal Single Audit Act Amendments of 1996
84 and similar laws of the state.

85 (6) "Bond" means a bond issued by the commission.

86 (7) "Commission" means the Florida Rural Economic
87 Development Commission established under s. 291.031.

88 (8) "Farming" means the cultivation or use of land in this
89 state for the production of any and all plant and animal
90 agricultural crops, including biomass and biogas, fiber crops,
91 citrus crops, poultry and ratites, eggs, milk, fruits, nuts,
92 trees, vegetables, flowers, ferns or other horticultural crops,
93 grazing and forage production, farm-raised ungulates and other
94 livestock, aquaculture, hydroponics, organics, silviculture,
95 forest products, or other farming activities designated by the
96 commission by rule.

97 (9) "Internal Revenue Code" means the Internal Revenue
98 Code of 1986, as amended.

99 (10) "Lending institution" means a bank, credit union,
100 trust company, mortgage company, national banking association,
101 savings bank, savings and loan association, building and loan
102 association, insurance company, investment banker, mortgage
103 banker or company, small business investment company, credit
104 union, cooperative bank, pension or retirement fund, any state
105 or federal governmental agency or instrumentality, including the
106 United States Department of Agriculture's Farm Service Agency or
107 any of its local associations, the Commodity Credit Corporation,
108 Federal Land Bank, Production Credit Association, the United
109 States Small Business Administration, or any other financial
110 institution or entity authorized to do business in this state or
111 hereunder or operating under the supervision of any federal

112 agency or any corporation organized or operating pursuant to s.
 113 25 of the Federal Reserve Act.

114 (11) "Mortgage" means a mortgage, mortgage deed, deed of
 115 trust, or other instrument creating a first lien, subject only
 116 to title exceptions and encumbrances acceptable to the
 117 commission, including any other mortgage liens of equal standing
 118 with or subordinate to the mortgage loan retained by a seller or
 119 conveyed to a mortgage lender on a fee interest in agricultural
 120 land and agricultural improvements.

121 (12) "Mortgage lender" means a bank, trust company,
 122 mortgage company, national banking association, savings and loan
 123 association, insurance company, any state or federal
 124 governmental agency or instrumentality, or any other financial
 125 institution or public or private entity authorized to make
 126 mortgage loans or secured loans in this state.

127 (13) "Mortgage loan" means a financial obligation secured
 128 by a mortgage.

129 (14) "Note" means a bond anticipation note or other
 130 obligation or evidence of indebtedness issued by the commission.

131 (15) "Renewable energy" means energy produced from any
 132 nondepletable source and specifically includes hydrogen fuel
 133 cells, biogas, and solar, wind, hydraulic, and geothermal
 134 energy.

135 (16) "Rural" means an area or person located in a county
 136 having a population of 75,000 or fewer or a county having a
 137 population of 150,000 or fewer that is contiguous to a county
 138 having a population of 75,000 or fewer.

139 (17) "Rural development loan" means any loan made by the
 140 commission for any of the activities or purposes defined herein.

141 (18) "Secured loan" means a financial obligation secured
 142 by a chattel mortgage, security agreement, or other instrument
 143 creating a lien on an interest in agricultural property.

144 (19) "State agency" means any board, commission,
 145 department, public officer, or other agency or authority of the
 146 state.

147 (20) "Structure" means any single-family dwelling located
 148 on agricultural land that is or will be occupied by a farmer or
 149 other agricultural producer or processor as well as any
 150 structures attached to or incidental to the use of the dwelling.

151 291.031 Florida Rural Economic Development Commission.--

152 (1) The Florida Rural Economic Development Commission, a
 153 body politic and corporate, is created under the Department of
 154 Agriculture and Consumer Services exercising limited quasi-
 155 legislative or quasi-judicial powers, or both, independently of
 156 the Commissioner of Agriculture and is an instrumentality of the
 157 state for the performance of essential public functions.

158 (2) The commission shall consist of 10 members appointed
 159 by the Commissioner of Agriculture. Of the 10 members, 4 members
 160 shall represent financial institutions incorporated in this
 161 state whose primary market is rural enterprises such as
 162 agriculture; 3 members shall represent state trade associations
 163 whose products are primarily produced in rural counties; and 3
 164 members shall be individuals who are engaged in a traditionally
 165 rural-based private enterprise.

166 (3) Members shall serve terms of 4 years except members
167 initially appointed to the commission. Members initially
168 appointed to the commission shall serve the following terms:

169 (a) Of the four appointees representing financial
170 institutions incorporated in this state whose primary market is
171 rural enterprises such as agriculture, one member shall serve a
172 2-year term and one member shall serve a 3-year term.

173 (b) Of the three appointees representing state trade
174 associations whose products are primarily produced in rural
175 counties, one member shall serve a 2-year term and one member
176 shall serve a 3-year term.

177 (c) Of the three appointees who are individuals engaged in
178 a traditionally rural-based private enterprise, one member shall
179 serve a 2-year term and one member shall serve a 3-year term.

180 (4) Each member may be appointed to no more than two
181 consecutive terms, except that a member shall continue to serve
182 until his or her successor is appointed.

183 (5) If a vacancy occurs, the Commissioner of Agriculture
184 shall appoint a person to serve for the remainder of the
185 unexpired term in the same manner as the original appointment.

186 (a) A person appointed to fill a vacancy may be
187 reappointed to no more than one term of 4 years.

188 (b) No vacant office shall be included in the
189 determination of a quorum.

190 (6) A majority of members of the commission constitutes a
191 quorum, and the commission may take official action by a
192 majority vote of the members present at any meeting at which a
193 quorum is present and a final action is taken. A vacancy in the

194 membership does not impair the right of a majority to exercise
195 all rights and perform all duties of the commission.

196 (7) The members shall serve without compensation but are
197 entitled to receive reimbursement from funds of the commission
198 for per diem and travel expenses as provided under s. 112.061

199 (8) A member of the commission who is present at any
200 meeting of the commission may not abstain from voting in regard
201 to any decision, ruling, or act, and a vote shall be recorded
202 for each member present, except when a member has or appears to
203 have a possible conflict of interest under s. 112.311, s.
204 112.313, or s. 112.3143. In such cases, the member shall comply
205 with the disclosure requirements of s. 112.3143. This subsection
206 neither limits the right of a member or employee of the
207 commission to acquire an interest in bonds or notes nor limits
208 the right of a member or employee other than the executive
209 director to have an interest in a bank, insurance company, or
210 other financial institution in which the funds of the commission
211 are deposited or which is acting as trustee or paying agent
212 under a trust indenture to which the commission is a party. This
213 section also does not, except as to the disclosures required
214 under s. 112.3143, preclude an insurance company or financial
215 institution in which a member or employee of the board, other
216 than the executive director, has an interest from placing
217 insurance, funding bonds, or acquiring or selling notes,
218 mortgages, or other obligations of the commission.

219 (9) The commission shall meet quarterly and may meet more
220 frequently upon call of the chair.

221 (10) The commission may delegate to one or more of the
 222 members or employees or agents of the commission such powers and
 223 duties as it may deem proper.

224 (11) The domicile of the commission shall be the City of
 225 Tallahassee and such other places within the state as the
 226 commission shall adopt by rule.

227 (12) The commission and its advisory committees or similar
 228 groups created by the commission, including any not-for-profit
 229 subsidiaries, are subject to chapter 119, relating to public
 230 records, and chapter 286, relating to public meetings and
 231 records. Meetings of the commission at which official acts are
 232 taken are subject to the provisions of s. 286.011.

233 291.041 Officers and employees; administration of
 234 chapter.--

235 (1) The commission shall elect annually a chair and vice
 236 chair from among its members.

237 (2) The commission shall appoint an executive director who
 238 shall be exempt from part II of chapter 110 and shall be a state
 239 employee for purposes of this chapter. The salary of the
 240 executive director shall be set by the commission.

241 (3) The executive director shall administer and enforce
 242 this chapter in accordance with rules adopted by the commission.
 243 The executive director may employ personnel as may be necessary
 244 to administer and enforce this chapter, subject to the approval
 245 of a majority of the members of the commission. All employees
 246 shall be under the supervision of the executive director.

247 (4) The executive director shall not have an interest in a
 248 bank or other financial institution in which the funds of the

249 commission are deposited or which is acting as trustee or paying
 250 agent under a trust indenture to which the commission is a
 251 party. The executive director may not receive, in addition to a
 252 fixed salary or compensation, any money or valuable thing,
 253 either directly or indirectly or through any substantial
 254 interest in any other business entity, for negotiating,
 255 procuring, recommending, or aiding in any purchase or sale of
 256 property or loan made by the commission. The executive director
 257 may not be financially interested, either as principal, co-
 258 principal, agent, or beneficiary, either directly or indirectly
 259 or through any substantial interest in any other business
 260 entity, in any purchase, sale, or loan made by the commission.

261 (5) The commission may employ on a contractual basis
 262 legal, financial, and technical experts and consultants as it
 263 deems necessary.

264 291.051 Powers.--The commission shall have all the powers
 265 necessary to give effect to and carry out the purposes and
 266 provisions of this chapter, including the power to:

267 (1) Sue and be sued in its own name and in the name of any
 268 subsidiary corporation or entity that may be created under this
 269 chapter.

270 (2) Have and alter a corporate seal.

271 (3) Adopt and amend bylaws for the internal organization
 272 and management of the commission.

273 (4) Adopt rules pursuant to ss. 120.536(1) and 120.54 to
 274 implement this chapter conferring duties upon it.

275 (5) Make and execute contracts and other instruments
 276 necessary or convenient for the exercise of its powers and

277 duties under this chapter with any federal or state governmental
 278 agency, public or private corporation, lending institution, or
 279 other entity or person. Any county or municipality or any
 280 special district or local government entity established pursuant
 281 to law is authorized to enter into contracts and otherwise
 282 cooperate with the commission to facilitate the purposes of this
 283 chapter.

284 (6) Accept, administer, and expend donations of real or
 285 personal property from any source or receive, administer, and
 286 expend appropriations from the Legislature and financial
 287 assistance, guarantees, insurance, or subsidies from the federal
 288 or state government.

289 (7) Renegotiate, refinance, or foreclose on any mortgage,
 290 security interest, or lien; bring any action to protect or
 291 enforce any right or benefit conferred upon the commission by
 292 any law, mortgage, security interest, lien, contract, or other
 293 agreement; bid for and purchase property at any foreclosure or
 294 at any other sale or otherwise acquire or take possession of any
 295 property; or complete, administer, pay the principal of and
 296 interest on any obligation incurred in connection with such
 297 property, or dispose of and otherwise deal with the property in
 298 a manner as may be necessary or desirable to protect the
 299 interest of the commission or of holders of its bonds therein,
 300 subject to the rights of holders of bonds of the commission.

301 (8) Procure or provide for the procurement of insurance or
 302 reinsurance against any loss in connection with its property or
 303 operations, including, but not limited to, insurance,
 304 reinsurance, or other guarantees from any federal or state

305 governmental agency or private insurance company for the payment
306 of any bonds issued by the commission, or bonds, notes, or any
307 other obligations or evidences of indebtedness issued or made by
308 any subsidiary corporation or entity created pursuant to
309 subsection (19) or by any lending institution or other entity or
310 person; or insurance or reinsurance against loss with respect to
311 agricultural loans, mortgages, mortgage loans, or any other type
312 of loan, including the power to pay premiums on such insurance
313 or reinsurance.

314 (9) Make, insure, coinsure, reinsure, or cause to be
315 insured, coinsured, or reinsured agricultural loans, mortgage
316 loans, mortgages, or any other type of loan; pay or receive
317 premiums on such insurance, coinsurance, or reinsurance;
318 establish reserves for losses; and participate in the insurance,
319 coinsurance, or reinsurance of agricultural loans, mortgage
320 loans, mortgages, or any other type of loan with the federal or
321 state government or private insurance company.

322 (10) Undertake and carry out or authorize the completion
323 of studies and analyses of rural and agricultural conditions and
324 needs within the state, needs relating to the promotion of
325 agricultural exports, and ways of meeting such needs; make the
326 studies and analyses available to the public and to the
327 agricultural industry; and engage in research or disseminate
328 information on agriculture and agricultural exports.

329 (11) Accept federal, state, or private financial or
330 technical assistance and comply with any conditions for that
331 assistance, provided the conditions are not in conflict with
332 this chapter.

333 (12) Establish, pay, and collect fees and charges in
334 connection with its loans, deposits, insurance commitments, and
335 services, including, but not limited to, reimbursement of the
336 costs of issuing bonds, origination and servicing fees, and
337 insurance premiums.

338 (13) Make loans to or deposits with lending institutions
339 and purchase or sell agricultural loans.

340 (14) Acquire or contract to acquire from any person, firm,
341 corporation, municipality, or federal or state agency, by grant,
342 purchase, or otherwise, real or personal property or any
343 interest therein; own, hold, clear, improve, lease, construct,
344 or rehabilitate and sell, invest, assign, exchange, transfer,
345 convey, lease, mortgage, or otherwise dispose of or encumber the
346 same, subject to the rights of holders of the bonds of the
347 commission, at public or private sale, with or without
348 competitive bid.

349 (15) Borrow money, issue bonds, and provide for the rights
350 of the lenders or holders thereof and purchase, discount, sell,
351 negotiate, guarantee, insure, coinsure, and reinsure notes,
352 drafts, checks, bills of exchange, acceptances, bankers
353 acceptances, cable transfers, letters of credit, and other
354 evidence of indebtedness, with or without credit enhancement
355 devices.

356 (16) Consent to any modification with respect to the rate
357 of interest, time, payment of any installment of principal or
358 interest, security or any other term or condition of any loan,
359 contract, mortgage, mortgage loan or commitment therefor, or
360 agreement of any kind to which the commission is a party or

361 beneficiary, subject to the rights of holders of the bonds of
 362 the commission.

363 (17) Maintain an office or offices at such place or places
 364 as the commission shall determine.

365 (18) Serve as the beneficiary of any public trust.

366 (19) Create subsidiary corporations or entities as may be
 367 necessary in order to borrow money, insure or reinsure
 368 agricultural loans, or issue bonds in the international
 369 financial market.

370 (20) Purchase or participate in the purchase and enter
 371 into commitments by itself or together with others for the
 372 purchase of federally issued securities, provided that the
 373 proceeds of the securities are used in accordance with this
 374 chapter.

375 (21) Make and execute contracts for the administration,
 376 servicing, or collection of any mortgage loan, loan agreement,
 377 or purchase agreement with a mortgage lender or servicing agent
 378 for the duration of the loan or agreement and pay the reasonable
 379 value of the services rendered to the commission under the
 380 contracts. The fees and charges for the services may be paid
 381 directly by the borrower to the lender or servicing agent or may
 382 be deducted from the interest collected by the lender or
 383 servicing agent.

384 (22) Make and execute agreements, contracts, and other
 385 instruments necessary or convenient in the exercise of the
 386 powers and duties of the commission, including contracts with
 387 any person, local government, federally recognized Indian tribal
 388 government, or other entity. All local governments of the state

389 are authorized to enter into and do all things necessary to
 390 perform the contracts and otherwise cooperate with the
 391 commission to facilitate the implementation of this chapter.

392 291.061 Purchase and sale of rural development loans.--The
 393 commission may purchase or contract to purchase and sell or
 394 contract to sell rural development loans made by lending
 395 institutions. All lending institutions are authorized to
 396 purchase and sell rural development loans to the commission in
 397 accordance with this chapter and the rules adopted under this
 398 chapter. To the extent that any provision of this section is
 399 inconsistent with any provision of law governing lending
 400 institutions, the provisions of this section shall control.

401 291.071 Loans and deposits.--The commission may make or
 402 contract to make loans to and deposits with lending
 403 institutions. All lending institutions may borrow funds and
 404 accept deposits from the commission in accordance with this
 405 chapter and the rules adopted under this chapter. The commission
 406 shall require that all proceeds of the loans to or deposits with
 407 lending institutions, or an equivalent amount, shall be used by
 408 the lending institutions to make agricultural loans, subject to
 409 the terms and conditions as the commission may prescribe. To the
 410 extent that any provision of this section is inconsistent with
 411 any provision of the law governing lending institutions, the
 412 provisions of this section shall control.

413 291.081 Insurance of rural development loans.--

414 (1) The commission may insure and reinsure rural
 415 development loans made by lending institutions, subject to the
 416 terms, conditions, limitations, collateral and security

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417 provisions, and reserve requirements as shall be determined by
418 rule of the commission.

419 (2) Unless otherwise determined by the commission,
420 insurance of rural development loans shall be in the amount of
421 100 percent of the unpaid principal and interest on each loan.

422 (3) An insured rural development loan shall be in default
423 when the holder of the loan makes application to the commission
424 for payment of insurance on the loan stating that the loan is in
425 default in accordance with the terms of any agreement with
426 respect to the insurance executed pursuant to this section.

427 (4) The commission may enter into agreements with any
428 person, lending institution, or holder of an insured rural
429 development loan upon the terms as may be agreed upon between
430 the commission and the person, lending institution, or holder to
431 provide for the administration of, applications for, and
432 repayment of insured rural development loans and to establish
433 the conditions for payment of insurance by the commission and
434 the servicing, suit upon, or foreclosure of insured rural
435 development loans.

436 (5) In calculating the aggregate value of all rural
437 development loans insured by the commission and outstanding at
438 any one time for purpose of insurance, the total value of funds,
439 investments, guarantees, properties, and other assets of the
440 commission shall be taken into consideration. The insurance may
441 be further expanded by use of federal, state, or private loan
442 insurance, reinsurance, or guarantees of which the commission is
443 or shall become the beneficiary.

444 291.091 Bonds of the commission.--

445 (1) The commission may issue from time to time bonds,
446 notes, bond anticipation notes, renewal notes, refunding bonds,
447 interim certificates, certificates of indebtedness, debentures,
448 warrants, commercial paper, or other obligations or evidences of
449 indebtedness, hereinafter collectively referred to as "bonds,"
450 to provide funds for and to fulfill and achieve its authorized
451 public functions or corporate purposes, as set forth in this
452 chapter, including, but not limited to, the purchase of rural
453 development loans from lending institutions, the making of loans
454 to or deposits with lending institutions, the payment of
455 interest on bonds of the commission, the establishment of
456 reserves to secure such bonds, and the establishment of reserves
457 with respect to the insurance of rural development loans, and
458 all other purposes and expenditures of the commission incident
459 to and necessary or convenient to carry out the purposes of this
460 chapter.

461 (2) Except as otherwise provided by the commission, all
462 bonds issued by the commission shall be negotiable instruments
463 and may be general obligations of the commission, secured by the
464 full faith and credit of the commission, and payable out of any
465 money, assets, or revenues of the commission or from any other
466 sources whatsoever that may be available to the commission.
467 Obligations issued under this chapter shall not be deemed to
468 constitute a debt, liability, or obligation of the state or of
469 any political subdivision thereof or a pledge of the faith and
470 credit of the state or of any such political subdivision but
471 shall be payable solely from the revenues or assets of the
472 commission. Obligations issued under this chapter shall not be

473 deemed to constitute a debt, liability, or obligation of the
 474 state or of any political subdivision thereof or a pledge of the
 475 faith and credit of the state or of any such political
 476 subdivision but shall be payable solely from the revenues or
 477 assets of the commission. Each obligation issued under this
 478 chapter shall contain on the face thereof a statement to the
 479 effect that the commission shall be obligated to pay neither the
 480 same nor the interest thereon except from the revenues or assets
 481 pledged therefor and that neither the faith and credit nor the
 482 taxing power of the state or of any political subdivision
 483 thereof is pledged to the payment of the principal of or the
 484 interest on such obligation.

485 (3) Bonds shall be authorized, issued, and sold by a
 486 resolution of the commission adopted as provided in this chapter
 487 and in accordance with applicable provisions of the Internal
 488 Revenue Code. The bonds may be of such series; bear such date or
 489 dates; mature at such time or times; bear interest at such rate
 490 or rates, including variable, adjustable, or zero interest
 491 rates; be payable at such time or times; be in such
 492 denominations; be sold at such price or prices, at public or
 493 private negotiated sale; be in such form; carry such
 494 registration and exchangeability privileges; be payable at such
 495 place or places; be subject to such terms of redemption; and be
 496 entitled to such priorities on the income, revenue, and receipts
 497 of, or available to, the commission as may be provided by the
 498 commission in the resolution or resolutions providing for the
 499 issuance and sale of the bonds of the commission.

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500 (4) Bonds of the commission shall be signed by the members
501 or officers of the commission, by either manual or facsimile
502 signature, as shall be determined by resolution or resolutions
503 of the commission and shall have impressed or imprinted thereon
504 the seal of the commission, or a facsimile thereof. The coupons
505 attached to coupon bonds of the commission shall bear the
506 facsimile signature of the member or officer of the commission
507 as shall be determined by resolution or resolutions of the
508 commission. The commission may also provide for the
509 authentication of the bonds, notes, or coupons by a trustee or
510 fiscal agent.

511 (5) Any bonds of the commission may be validly issued,
512 sold, and delivered, notwithstanding that one or more of the
513 members or officers of the commission signing the bonds or whose
514 facsimile signature may be on the bonds or on coupons, shall
515 have ceased to be a member or officer of the commission at the
516 time such bonds shall actually have been delivered.

517 (6) Bonds of the commission may be sold for such price, in
518 such manner, and from time to time as may be determined by the
519 commission to be most beneficial, and the commission may pay all
520 expenses, premiums, fees, or commissions which it may deem
521 necessary or advantageous in connection with the issuance and
522 sale thereof, subject to this chapter.

523 (7) Bonds or notes may be issued in coupon or in
524 registered form, or both, as the commission may determine, and
525 provision may be made for the registration of any coupon bonds
526 or notes as to principal alone and also as to both principal and
527 interest, and for the reconversion into coupon bonds or notes of

528 any bonds or notes registered as to both principal and interest,
 529 and for the interchange of registered and coupon bonds or notes.

530 (8) Prior to the preparation of definitive bonds, the
 531 commission may, under like restrictions, issue interim receipts
 532 or temporary bonds, with or without coupons, exchangeable for
 533 definitive bonds when such bonds shall have been executed and
 534 are available for delivery. The commission may also provide for
 535 the replacement of any bonds or notes that shall become
 536 mutilated or shall be destroyed or lost.

537 (9) Bonds or notes may be issued under this chapter
 538 without obtaining, except as otherwise expressly provided in
 539 this chapter, the consent of any department, division,
 540 commission, board, body, bureau, or agency of the state and
 541 without any other proceedings or the happening of any conditions
 542 or things other than those proceedings, conditions, or things
 543 which are specifically required by this chapter and the
 544 provisions of the resolution authorizing the issuance of such
 545 bonds or notes or the trust agreement securing the same.

546 291.101 Exemption from competitive bid.--The commission
 547 and all contracts made by it in carrying out its public and
 548 essential governmental functions are exempt from the laws of
 549 this state, under part I of chapter 287, which provide for
 550 competitive bids in connection with such contracts.

551 291.111 Statutory pledge.--Any pledge made by the
 552 commission shall be valid and binding from time to time when the
 553 pledge is made. The money, assets, or revenues of the commission
 554 so pledged and thereafter received by the commission shall
 555 immediately be subject to the lien of such pledge without any

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556 physical delivery thereof or further act, and the lien of any
557 pledge shall be valid and binding as against all parties having
558 claims of any kind in tort, contract, or otherwise against the
559 commission, irrespective of whether such parties have notice
560 thereof. Neither the resolution nor any other instrument by
561 which a pledge is created need be recorded or filed in order to
562 establish and perfect a lien or security interest in the
563 property so pledged by the commission. Nothing in this section
564 shall be construed to prohibit the commission from selling any
565 assets subject to any such pledge except to the extent that any
566 such sale may be restricted by the trust agreement or resolution
567 providing for the issuance of such obligations.

568 291.121 Refunding bonds.--

569 (1) Subject to the rights of the holders of the bonds of
570 the commission, the commission may issue from time to time its
571 bonds for the purpose of refunding any bonds of the commission
572 then outstanding, together with the payment of any redemption
573 premiums thereon and interest accrued or to accrue to the date
574 of redemption of the outstanding bonds. All such refunding bonds
575 of the commission shall be issued, sold or exchanged, and
576 delivered; shall be secured; and shall be subject to this
577 chapter in the same manner and to the same extent as any other
578 bonds issued by the commission pursuant to this chapter, unless
579 otherwise determined by resolution of the commission. Refunding
580 bonds issued by the commission as provided in this section may
581 be sold or exchanged for outstanding bonds of the commission
582 and, if sold, the proceeds may be applied, in addition to any

583 other authorized purposes, to the purchase, redemption, or
 584 payment of the outstanding bonds.

585 (2) Pending the application of the proceeds of any such
 586 refunding obligations, with any other available funds, to the
 587 payment of the principal, accrued interest, and any redemption
 588 premium on the obligations being refunded, and, if so provided
 589 or permitted in the resolution authorizing the issuance of such
 590 refunding obligations or in the trust agreement securing the
 591 same, to the payment of any interest on such refunding
 592 obligations and any expenses in connection with the refunding,
 593 such proceeds may be invested in direct obligations of, or
 594 obligations the principal of and the interest on which are
 595 unconditionally guaranteed by, the United States of America
 596 which shall mature or which shall be subject to redemption by
 597 the holders thereof, at the option of the holders, not later
 598 than the respective dates when the proceeds, together with the
 599 interest accruing thereon, will be required for the purposes
 600 intended.

601 291.131 Purchase of bonds by commission.--Subject to the
 602 rights of holders of bonds, the commission shall have the power
 603 out of any funds available therefor to purchase bonds of the
 604 commission, which shall thereupon be canceled at a price not
 605 exceeding:

606 (1) The optional redemption price then applicable plus
 607 accrued interest to the next interest payment date thereon, if
 608 the bonds are then subject to optional redemption; or

609 (2) The optional redemption price applicable on the first
 610 date after such purchase upon which the notes or bonds become

611 subject to optional redemption plus accrued interest to such
 612 date, if the bonds are not then subject to optional redemption.

613 291.141 Exemption from taxes.--The exercise of the powers
 614 granted by this chapter will be in all respects for the benefit
 615 of the people of the state, for their well-being and prosperity,
 616 and for the improvement of their social and economic conditions.
 617 The commission shall not be required to pay any tax or
 618 assessment on any property owned by the commission under this
 619 chapter or upon the income therefrom. Any obligations issued by
 620 the commission under this chapter shall at all times be free
 621 from taxation by the state or any local unit or political
 622 subdivision or other instrumentality of the state.

623 291.151 Covenant of state.--In consideration of the
 624 acceptance of and payment for the bonds of the commission by the
 625 holders thereof, the state does pledge to and agree with the
 626 holders of any bonds of the commission issued pursuant to this
 627 chapter that the state will not impair, limit, or alter the
 628 rights vested in the commission to fulfill the terms of any
 629 agreements made with the holders of the bonds of the commission
 630 or in any way impair the rights or remedies of the holders
 631 thereof until such bonds, together with the interest thereon,
 632 with interest on any unpaid installments of interest, and all
 633 costs and expenses in connection with any action or proceedings
 634 by or on behalf of such holders, are fully met and discharged.
 635 The commission is authorized to include this pledge and
 636 agreement of the state in any agreement with the holders of
 637 bonds of the commission.

638 291.161 Funds held in trust.--

639 (1) Notwithstanding any other provisions of law to the
640 contrary, all funds received under this chapter shall be deemed
641 to be funds held in trust, to be held and applied solely as
642 provided in this chapter. Interest earned from these funds and
643 interest received from loans made from these funds may be used
644 for any purpose set out in this chapter and for the costs of
645 administering this chapter. The resolution authorizing any
646 obligations or the trust agreement securing any obligations may
647 provide that any of these funds may be temporarily invested
648 pending the disbursement of the funds and shall provide that any
649 officer with whom or any bank or trust company with which such
650 funds shall be deposited shall act as trustee of the funds and
651 shall hold and apply the funds for the purposes under this
652 chapter, subject to any rules adopted pursuant to this chapter
653 and any provisions in the provision or trust agreement.

654 (2) All funds of the commission may be invested in the
655 following:

656 (a) Bonds, notes, or treasury bills of the United States.

657 (b) Nonconvertible debt securities of the following
658 issuers:

659 1. The Federal Home Loan Bank Board.

660 2. Fannie Mae.

661 3. The Federal Farm Credit Bank.

662 4. The Student Loan Marketing Association.

663 (c) Any other obligations not listed above which are
664 guaranteed as to principal and interest by the Federal
665 Government or any of its agencies.

666 (d) Certificates of deposit and other evidences of deposit
 667 at state and federal chartered banks and savings and loan
 668 associations, provided that any principal amount of such
 669 certificate in excess of the amount insured by the Federal
 670 Government or any agency thereof be fully collateralized.

671 (e) Obligations of the United States or its agencies under
 672 a repurchase agreement for a shorter time than the maturity date
 673 of the security itself if the market value of the security
 674 itself is more than the amount of funds invested.

675 (f) Money market funds whose portfolios consist of any of
 676 the foregoing investments.

677 (g) A guaranteed investment or similar contract, which
 678 provides for the investment of funds at a guaranteed rate of
 679 return, with an insurance company or depository financial
 680 institution with a claim-paying rating of no less than either of
 681 the two highest grades given by a nationally recognized rating
 682 agency.

683 (h) Any other investment authorized by law for the
 684 investment of funds by a unit of local government.

685 291.171 Bonds as legal investment and security for public
 686 deposits.--Obligations issued under this chapter are securities
 687 in which all public officers and public bodies of the state and
 688 its political subdivisions, all insurance companies, trust
 689 companies, banking associations, investment companies,
 690 executors, administrators, trustees, and other fiduciaries may
 691 properly and legally invest funds, including capital in their
 692 control or belonging to them. Such obligations are hereby made
 693 securities that may properly and legally be deposited with and

694 received by any state or municipal officer or any agency or
 695 political subdivision of the state for any purpose for which the
 696 deposit of bonds, notes, or obligations of the state is now or
 697 may hereafter be authorized by law.

698 291.181 Accounts and audits.--

699 (1) Subject to the provisions of any contract with the
 700 holders of its bonds, the commission shall establish a system of
 701 accounts.

702 (2) The commission may cause an independent audit of its
 703 books and accounts to be prepared annually, and the cost thereof
 704 may be paid from any available funds of the commission.

705 (3) No later than December 31 of each year, the commission
 706 shall submit to the Commissioner of Agriculture, the Governor,
 707 the President of the Senate, and the Speaker of the House of
 708 Representatives an annual report on the operations of the
 709 commission. No later than March 1 of each year, the commission
 710 shall submit to the Commissioner of Agriculture, the Governor,
 711 the President of the Senate, and the Speaker of the House of
 712 Representatives a copy of the report of each audit of the books
 713 and accounts of the commission.

714 291.191 Cooperation of state agencies.--Each state officer
 715 and agency may render services to the commission within their
 716 respective functions as may be requested by the commission.

717 291.201 Construction of chapter.--This chapter, being
 718 necessary for the welfare of the state and its residents, shall
 719 be liberally construed to effect its purposes.

720 291.211 Termination of the commission.--In the event of
 721 the termination of the commission, all of its rights, funds,

722 assets, and revenues in excess of its obligations shall be
 723 deposited in the General Revenue Fund.

724 Section 2. Subsection (1) of section 159.804, Florida
 725 Statutes, is amended to read:

726 159.804 Allocation of state volume limitation.--The
 727 division shall annually determine the amount of private activity
 728 bonds permitted to be issued in this state under the Code and
 729 shall make such information available upon request to any person
 730 or agency. The total amount of private activity bonds authorized
 731 to be issued in this state pursuant to the Code shall be
 732 initially allocated as follows on January 1 of each year:

733 (1)(a) On January 1, 1993, the first \$75 million of the
 734 state volume limitation shall be allocated to the manufacturing
 735 facility pool established pursuant to s. 159.8081. This
 736 allocation shall be increased in subsequent years in increments
 737 of \$7.5 million as follows: On January 1 of each year, if at
 738 least 75 percent of the preceding year's allocation under this
 739 subsection was used to issue bonds by November 15 of that year,
 740 the allocation to the pool for the current year must equal the
 741 sum of the amount that was allocated to the pool in the
 742 preceding year plus an additional \$7.5 million. If, however, 75
 743 percent of the preceding year's allocation was not used to issue
 744 bonds by November 15, the allocation to the pool for the current
 745 year must be the same amount as that allocated to the pool in
 746 the preceding year.

747 (b) On January 1, 2006, the next \$25 million of the state
 748 volume limitation shall be allocated to the rural economic
 749 development bond pool established under s. 159.8082. This

750 allocation shall be increased in subsequent years in increments
751 of \$5 million as follows: On January 1 of each year, if at least
752 75 percent of the preceding year's allocation under this
753 subsection was used to issue bonds by November 15 of that year,
754 the allocation to the pool for the current year must equal the
755 sum of the amount that was allocated to the pool in the
756 preceding year plus an additional \$5 million; if, however, 75
757 percent of the preceding year's allocation was not used to issue
758 bonds by November 15, the allocation to the pool for the current
759 year must be the same amount as that allocated to the pool in
760 the preceding year.

761 (c) ~~(b)~~ If on January 1 of any year, under federal law,
762 bonds for manufacturing facilities or rural economic development
763 no longer require or are eligible for an allocation pursuant to
764 s. 146 of the Code or if a separate volume cap is established
765 for rural economic development bonds under federal law, the
766 allocation of the state volume limitation in the manufacturing
767 facility pool or the rural economic development bond pool, or
768 both if applicable, shall be divided among the remaining pools
769 in the following manner: 50 percent to be shared by the 17
770 regions for use in the manner prescribed in subsection (2); 25
771 percent for use by the Florida Housing Finance Corporation in
772 the manner prescribed in subsection (3); 5 percent for use in
773 the state allocation pool in the manner prescribed in subsection
774 (4); and 20 percent for use in the Florida First Business
775 allocation pool in the manner prescribed in subsection (5).

776 (d) ~~(e)~~ If the state volume limitation imposed on private
777 activity bonds under s. 146 of the Code is decreased, the amount

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778 allocated to the manufacturing facility pool shall be decreased
779 in proportion to the percentage the state volume limitation is
780 decreased.

781 Section 3. Section 159.8082, Florida Statutes, is created
782 to read:

783 159.8082 Rural economic development bond pool.--

784 (1) There is established the rural economic development
785 bond pool. The rural economic development bond pool is available
786 solely to provide written confirmations for private activity
787 bonds to the Florida Rural Economic Development Commission to
788 finance rural economic development as described in chapter 291.
789 Allocations from this pool must be awarded for use on a
790 statewide basis pursuant to the procedures specified in s.
791 159.805, except that the provisions of s. 159.805(2) and (3) do
792 not apply. In issuing written confirmations of allocations for
793 rural economic development projects, the division must use the
794 rural economic development bond pool. If allocation is not
795 available from the rural economic development bond pool, the
796 division must issue written confirmations of allocations for
797 rural economic development projects under s. 159.806 or s.
798 159.807, in that order. For the purposes of determining priority
799 within a regional allocation pool or the state allocation pool,
800 notices of intent to issue bonds for rural economic development
801 projects to be issued from a regional allocation pool or the
802 state allocation pool are considered to have been received by
803 the division at the time it is determined by the division that
804 the rural economic development bond pool is unavailable to issue
805 confirmation for the rural development project.

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806 (2) Any written confirmation issued by the director
807 pursuant to this section has no effect unless the bonds to which
808 such confirmation applies have been issued by the Florida Rural
809 Economic Development Commission and written notice of the
810 issuance has been provided to the director on or before November
811 15, unless funds eligible for carryforward were granted for the
812 allocation.

813 Section 4. Subsection (3) of section 159.809, Florida
814 Statutes, is amended to read:

815 159.809 Recapture of unused amounts.--

816 (3) On October 1 of each year, any portion of the
817 allocation made to the Florida First Business allocation pool
818 pursuant to s. 159.804(5) or subsection (1) or subsection (2),
819 which is eligible for carryforward pursuant to s. 146(f) of the
820 Code but which has not been certified for carryforward by the
821 Office of Tourism, Trade, and Economic Development, after
822 allocating an amount equal to the fiscal year pool amount of the
823 rural economic development bond pool under s. 159.804(1), shall
824 be returned, pro rata, to the Florida First Business allocation
825 pool and the rural economic development bond pool.

826 Section 5. This act shall take effect upon becoming a law.