

1 accounts; providing for cooperation of state
2 agencies; providing for liberal construction of
3 the chapter; providing for deposit of certain
4 assets in the General Revenue Fund upon
5 termination of the commission; amending s.
6 159.804, F.S.; providing for certain percent
7 allocation to the rural economic development
8 bond pool from the allocation of state volume
9 limitation for private activity bonds; creating
10 s. 159.8082, F.S.; creating the rural economic
11 development bond pool; providing purpose;
12 providing for allocation to the pool; amending
13 s. 159.809, F.S.; providing for recapture of
14 certain unused allocations to be returned pro
15 rata to certain pools; providing an effective
16 date.

17
18 Be It Enacted by the Legislature of the State of Florida:

19
20 Section 1. Chapter 291, Florida Statutes, consisting
21 of sections 291.011, 291.021, 291.031, 291.041, 291.051,
22 291.061, 291.071, 291.081, 291.091, 291.101, 291.111, 291.121,
23 291.131, 291.141, 291.151, 291.161, 291.171, 291.181, 291.191,
24 291.201, and 291.211, is created to read:

25 291.011 Short title.--This chapter may be cited as the
26 "Florida Rural Economic Development Act."

27 291.021 Definitions.--As used in this chapter:

28 (1) "Agricultural improvement" means any improvement,
29 building, structure, fixture, or equipment suitable for use in
30 farming, producing, or processing agricultural products or
31 byproducts; energy conserving equipment and renewable energy

1 equipment and technology, such as biogas turbines or internal
2 combustion engines, low-pressure irrigation pumps, gasifiers,
3 hydrogen fuel cells, ethanol production facilities, aerobic
4 digesters, and anaerobic digesters; water conservation and
5 pollution prevention devices; and other similar technology
6 located on agricultural land in this state.

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

11 (3) "Agricultural processor" means a person who
12 engages in the business of processing products derived from
13 animals or plants and their byproducts within this state,
14 including, without limitation, agricultural commodities,
15 biomass and biogas energy, compost, waste treatment
16 facilities, organic fertilizer, soil amendment processing, and
17 any and all products disposed of or made or derived from
18 agricultural or biomass stock, as defined by the commission
19 under rules adopted by the commission from time to time under
20 chapter 120.

21 (4) "Agricultural producer" means a person who engages
22 in the business of producing and marketing products derived
23 from animals or plants and their byproducts in this state and
24 includes a farmer.

25 (5) "Audit" means the annual audit of the commission's
26 accounting records by the commission's certified public
27 accountants and shall include any audit required of the
28 commission by the federal Single Audit Act Amendments of 1996
29 and similar laws of the state.

30 (6) "Bond" means a bond issued by the commission.
31

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

3 (8) "Farming" means the cultivation or use of land in
4 this state for the production of any and all plant and animal
5 agricultural crops, including biomass and biogas, fiber crops,
6 citrus crops, poultry and ratites, eggs, milk, fruits, nuts,
7 trees, vegetables, flowers, ferns or other horticultural
8 crops, grazing and forage production, farm-raised ungulates
9 and other livestock, aquaculture, hydroponics, organics,
10 silviculture, forest products, or other farming activities
11 designated by the commission by rule.

12 (9) "Internal Revenue Code" means the Internal Revenue
13 Code of 1986, as amended.

14 (10) "Lending institution" means a bank, credit union,
15 trust company, mortgage company, national banking association,
16 savings bank, savings and loan association, building and loan
17 association, insurance company, investment banker, mortgage
18 banker or company, small business investment company, credit
19 union, cooperative bank, pension or retirement fund, any state
20 or federal governmental agency or instrumentality, including
21 the United States Department of Agriculture's Farm Service
22 Agency or any of its local associations, the Commodity Credit
23 Corporation, Federal Land Bank, Production Credit Association,
24 the United States Small Business Administration, or any other
25 financial institution or entity authorized to do business in
26 this state or hereunder or operating under the supervision of
27 any federal agency or any corporation organized or operating
28 pursuant to s. 25 of the Federal Reserve Act.

29 (11) "Mortgage" means a mortgage, mortgage deed, deed
30 of trust, or other instrument creating a first lien, subject
31 only to title exceptions and encumbrances acceptable to the

1 commission, including any other mortgage liens of equal
2 standing with or subordinate to the mortgage loan retained by
3 a seller or conveyed to a mortgage lender on a fee interest in
4 agricultural land and agricultural improvements.

5 (12) "Mortgage lender" means a bank, trust company,
6 mortgage company, national banking association, savings and
7 loan association, insurance company, any state or federal
8 governmental agency or instrumentality, or any other financial
9 institution or public or private entity authorized to make
10 mortgage loans or secured loans in this state.

11 (13) "Mortgage loan" means a financial obligation
12 secured by a mortgage.

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

16 (15) "Renewable energy" means energy produced from any
17 nondepletable source and specifically includes hydrogen fuel
18 cells, biogas, and solar, wind, hydraulic, and geothermal
19 energy.

20 (16) "Rural" means an area or person located in a
21 county having a population of 75,000 or fewer or a county
22 having a population of 150,000 or fewer that is contiguous to
23 a county having a population of 75,000 or fewer.

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

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

31

1 (19) "State agency" means any board, commission,
2 department, public officer, or other agency or authority of
3 the state.

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

9 291.031 Florida Rural Economic Development
10 Commission.--

11 (1) The Florida Rural Economic Development Commission,
12 a body politic and corporate, is created under the Department
13 of Agriculture and Consumer Services exercising limited
14 quasi-legislative or quasi-judicial powers, or both,
15 independently of the Commissioner of Agriculture and is an
16 instrumentality of the state for the performance of essential
17 public functions.

18 (2) The commission shall consist of 10 members
19 appointed by the Commissioner of Agriculture. Of the 10
20 members, 4 members shall represent financial institutions
21 incorporated in this state whose primary market is rural
22 enterprises such as agriculture; 3 members shall represent
23 state trade associations whose products are primarily produced
24 in rural counties; and 3 members shall be individuals who are
25 engaged in a traditionally rural-based private enterprise.

26 (3) Members shall serve terms of 4 years except
27 members initially appointed to the commission. Members
28 initially appointed to the commission shall serve the
29 following terms:

30 (a) Of the four appointees representing financial
31 institutions incorporated in this state whose primary market

1 is rural enterprises such as agriculture, one member shall
2 serve a 2-year term and one member shall serve a 3-year term.

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

7 (c) Of the three appointees who are individuals
8 engaged in a traditionally rural-based private enterprise, one
9 member shall serve a 2-year term and one member shall serve a
10 3-year term.

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

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

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

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

22 (6) A majority of members of the commission
23 constitutes a quorum, and the commission may take official
24 action by a majority vote of the members present at any
25 meeting at which a quorum is present and a final action is
26 taken. A vacancy in the membership does not impair the right
27 of a majority to exercise all rights and perform all duties of
28 the commission.

29 (7) The members shall serve without compensation but
30 are entitled to receive reimbursement from funds of the
31

1 commission for per diem and travel expenses as provided under
2 s. 112.061.

3 (8) A member of the commission who is present at any
4 meeting of the commission may not abstain from voting in
5 regard to any decision, ruling, or act, and a vote shall be
6 recorded for each member present, except when a member has or
7 appears to have a possible conflict of interest under s.

8 112.311, s. 112.313, or s. 112.3143. In such cases, the member
9 shall comply with the disclosure requirements of s. 112.3143.

10 This subsection neither limits the right of a member or
11 employee of the commission to acquire an interest in bonds or
12 notes nor limits the right of a member or employee other than
13 the executive director to have an interest in a bank,

14 insurance company, or other financial institution in which the
15 funds of the commission are deposited or which is acting as

16 trustee or paying agent under a trust indenture to which the
17 commission is a party. This section also does not, except as

18 to the disclosures required under s. 112.3143, preclude an
19 insurance company or financial institution in which a member

20 or employee of the board, other than the executive director,
21 has an interest from placing insurance, funding bonds, or

22 acquiring or selling notes, mortgages, or other obligations of
23 the commission.

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

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

29 (11) The domicile of the commission shall be the City
30 of Tallahassee and such other places within the state as the
31 commission shall adopt by rule.

1 (12) The commission and its advisory committees or
2 similar groups created by the commission, including any
3 not-for-profit subsidiaries, are subject to chapter 119,
4 relating to public records, and chapter 286, relating to
5 public meetings and records. Meetings of the commission at
6 which official acts are taken are subject to the provisions of
7 s. 286.011.

8 291.041 Officers and employees; administration of
9 chapter.--

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

12 (2) The commission shall appoint an executive director
13 who shall be exempt from part II of chapter 110 and shall be a
14 state employee for purposes of this chapter. The salary of the
15 executive director shall be set by the commission.

16 (3) The executive director shall administer and
17 enforce this chapter in accordance with rules adopted by the
18 commission. The executive director may employ personnel as may
19 be necessary to administer and enforce this chapter, subject
20 to the approval of a majority of the members of the
21 commission. All employees shall be under the supervision of
22 the executive director.

23 (4) The executive director shall not have an interest
24 in a bank or other financial institution in which the funds of
25 the commission are deposited or which is acting as trustee or
26 paying agent under a trust indenture to which the commission
27 is a party. The executive director may not receive, in
28 addition to a fixed salary or compensation, any money or
29 valuable thing, either directly or indirectly or through any
30 substantial interest in any other business entity, for
31 negotiating, procuring, recommending, or aiding in any

1 purchase or sale of property or loan made by the commission.
2 The executive director may not be financially interested,
3 either as principal, co-principal, agent, or beneficiary,
4 either directly or indirectly or through any substantial
5 interest in any other business entity, in any purchase, sale,
6 or loan made by the commission.

7 (5) The commission may employ on a contractual basis
8 legal, financial, and technical experts and consultants as it
9 deems necessary.

10 291.051 Powers.--The commission shall have all the
11 powers necessary to give effect to and carry out the purposes
12 and provisions of this chapter, including the power to:

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

16 (2) Have and alter a corporate seal.

17 (3) Adopt and amend bylaws for the internal
18 organization and management of the commission.

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

21 (5) Make and execute contracts and other instruments
22 necessary or convenient for the exercise of its powers and
23 duties under this chapter with any federal or state
24 governmental agency, public or private corporation, lending
25 institution, or other entity or person. Any county or
26 municipality or any special district or local government
27 entity established pursuant to law is authorized to enter into
28 contracts and otherwise cooperate with the commission to
29 facilitate the purposes of this chapter.

30 (6) Accept, administer, and expend donations of real
31 or personal property from any source or receive, administer,

1 and expend appropriations from the Legislature and financial
2 assistance, guarantees, insurance, or subsidies from the
3 federal or state government.

4 (7) Renegotiate, refinance, or foreclose on any
5 mortgage, security interest, or lien; bring any action to
6 protect or enforce any right or benefit conferred upon the
7 commission by any law, mortgage, security interest, lien,
8 contract, or other agreement; bid for and purchase property at
9 any foreclosure or at any other sale or otherwise acquire or
10 take possession of any property; or complete, administer, pay
11 the principal of and interest on any obligation incurred in
12 connection with such property, or dispose of and otherwise
13 deal with the property in a manner as may be necessary or
14 desirable to protect the interest of the commission or of
15 holders of its bonds therein, subject to the rights of holders
16 of bonds of the commission.

17 (8) Procure or provide for the procurement of
18 insurance or reinsurance against any loss in connection with
19 its property or operations, including, but not limited to,
20 insurance, reinsurance, or other guarantees from any federal
21 or state governmental agency or private insurance company for
22 the payment of any bonds issued by the commission, or bonds,
23 notes, or any other obligations or evidences of indebtedness
24 issued or made by any subsidiary corporation or entity created
25 pursuant to subsection (19) or by any lending institution or
26 other entity or person; or insurance or reinsurance against
27 loss with respect to agricultural loans, mortgages, mortgage
28 loans, or any other type of loan, including the power to pay
29 premiums on such insurance or reinsurance.

30 (9) Make, insure, coinsure, reinsure, or cause to be
31 insured, coinsured, or reinsured agricultural loans, mortgage

1 loans, mortgages, or any other type of loan; pay or receive
2 premiums on such insurance, coinsurance, or reinsurance;
3 establish reserves for losses; and participate in the
4 insurance, coinsurance, or reinsurance of agricultural loans,
5 mortgage loans, mortgages, or any other type of loan with the
6 federal or state government or private insurance company.

7 (10) Undertake and carry out or authorize the
8 completion of studies and analyses of rural and agricultural
9 conditions and needs within the state, needs relating to the
10 promotion of agricultural exports, and ways of meeting such
11 needs; make the studies and analyses available to the public
12 and to the agricultural industry; and engage in research or
13 disseminate information on agriculture and agricultural
14 exports.

15 (11) Accept federal, state, or private financial or
16 technical assistance and comply with any conditions for that
17 assistance, provided the conditions are not in conflict with
18 this chapter.

19 (12) Establish, pay, and collect fees and charges in
20 connection with its loans, deposits, insurance commitments,
21 and services, including, but not limited to, reimbursement of
22 the costs of issuing bonds, origination and servicing fees,
23 and insurance premiums.

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

26 (14) Acquire or contract to acquire from any person,
27 firm, corporation, municipality, or federal or state agency,
28 by grant, purchase, or otherwise, real or personal property or
29 any interest therein; own, hold, clear, improve, lease,
30 construct, or rehabilitate and sell, invest, assign, exchange,
31 transfer, convey, lease, mortgage, or otherwise dispose of or

1 encumber the same, subject to the rights of holders of the
2 bonds of the commission, at public or private sale, with or
3 without competitive bid.

4 (15) Borrow money, issue bonds, and provide for the
5 rights of the lenders or holders thereof and purchase,
6 discount, sell, negotiate, guarantee, insure, coinsure, and
7 reinsure notes, drafts, checks, bills of exchange,
8 acceptances, bankers acceptances, cable transfers, letters of
9 credit, and other evidence of indebtedness, with or without
10 credit enhancement devices.

11 (16) Consent to any modification with respect to the
12 rate of interest, time, payment of any installment of
13 principal or interest, security or any other term or condition
14 of any loan, contract, mortgage, mortgage loan or commitment
15 therefor, or agreement of any kind to which the commission is
16 a party or beneficiary, subject to the rights of holders of
17 the bonds of the commission.

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

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

21 (19) Create subsidiary corporations or entities as may
22 be necessary in order to borrow money, insure or reinsure
23 agricultural loans, or issue bonds in the international
24 financial market.

25 (20) Purchase or participate in the purchase and enter
26 into commitments by itself or together with others for the
27 purchase of federally issued securities, provided that the
28 proceeds of the securities are used in accordance with this
29 chapter.

30 (21) Make and execute contracts for the
31 administration, servicing, or collection of any mortgage loan,

1 loan agreement, or purchase agreement with a mortgage lender
2 or servicing agent for the duration of the loan or agreement
3 and pay the reasonable value of the services rendered to the
4 commission under the contracts. The fees and charges for the
5 services may be paid directly by the borrower to the lender or
6 servicing agent or may be deducted from the interest collected
7 by the lender or servicing agent.

8 (22) Make and execute agreements, contracts, and other
9 instruments necessary or convenient in the exercise of the
10 powers and duties of the commission, including contracts with
11 any person, local government, federally recognized Indian
12 tribal government, or other entity. All local governments of
13 the state are authorized to enter into and do all things
14 necessary to perform the contracts and otherwise cooperate
15 with the commission to facilitate the implementation of this
16 chapter.

17 291.061 Purchase and sale of rural development
18 loans.--The commission may purchase or contract to purchase
19 and sell or contract to sell rural development loans made by
20 lending institutions. All lending institutions are authorized
21 to purchase and sell rural development loans to the commission
22 in accordance with this chapter and the rules adopted under
23 this chapter. To the extent that any provision of this section
24 is inconsistent with any provision of law governing lending
25 institutions, the provisions of this section shall control.

26 291.071 Loans and deposits.--The commission may make
27 or contract to make loans to and deposits with lending
28 institutions. All lending institutions may borrow funds and
29 accept deposits from the commission in accordance with this
30 chapter and the rules adopted under this chapter. The
31 commission shall require that all proceeds of the loans to or

1 deposits with lending institutions, or an equivalent amount,
2 shall be used by the lending institutions to make agricultural
3 loans, subject to the terms and conditions as the commission
4 may prescribe. To the extent that any provision of this
5 section is inconsistent with any provision of the law
6 governing lending institutions, the provisions of this section
7 shall control.

8 291.081 Insurance of rural development loans.--

9 (1) The commission may insure and reinsure rural
10 development loans made by lending institutions, subject to the
11 terms, conditions, limitations, collateral and security
12 provisions, and reserve requirements as shall be determined by
13 rule of the commission.

14 (2) Unless otherwise determined by the commission,
15 insurance of rural development loans shall be in the amount of
16 100 percent of the unpaid principal and interest on each loan.

17 (3) An insured rural development loan shall be in
18 default when the holder of the loan makes application to the
19 commission for payment of insurance on the loan stating that
20 the loan is in default in accordance with the terms of any
21 agreement with respect to the insurance executed pursuant to
22 this section.

23 (4) The commission may enter into agreements with any
24 person, lending institution, or holder of an insured rural
25 development loan upon the terms as may be agreed upon between
26 the commission and the person, lending institution, or holder
27 to provide for the administration of, applications for, and
28 repayment of insured rural development loans and to establish
29 the conditions for payment of insurance by the commission and
30 the servicing, suit upon, or foreclosure of insured rural
31 development loans.

1 (5) In calculating the aggregate value of all rural
2 development loans insured by the commission and outstanding at
3 any one time for purpose of insurance, the total value of
4 funds, investments, guarantees, properties, and other assets
5 of the commission shall be taken into consideration. The
6 insurance may be further expanded by use of federal, state, or
7 private loan insurance, reinsurance, or guarantees of which
8 the commission is or shall become the beneficiary.

9 291.091 Bonds of the commission.--

10 (1) The commission may issue from time to time bonds,
11 notes, bond anticipation notes, renewal notes, refunding
12 bonds, interim certificates, certificates of indebtedness,
13 debentures, warrants, commercial paper, or other obligations
14 or evidences of indebtedness, hereinafter collectively
15 referred to as "bonds," to provide funds for and to fulfill
16 and achieve its authorized public functions or corporate
17 purposes, as set forth in this chapter, including, but not
18 limited to, the purchase of rural development loans from
19 lending institutions, the making of loans to or deposits with
20 lending institutions, the payment of interest on bonds of the
21 commission, the establishment of reserves to secure such
22 bonds, and the establishment of reserves with respect to the
23 insurance of rural development loans, and all other purposes
24 and expenditures of the commission incident to and necessary
25 or convenient to carry out the purposes of this chapter.

26 (2) Except as otherwise provided by the commission,
27 all bonds issued by the commission shall be negotiable
28 instruments and may be general obligations of the commission,
29 secured by the full faith and credit of the commission, and
30 payable out of any money, assets, or revenues of the
31 commission or from any other sources whatsoever that may be

1 available to the commission. Obligations issued under this
2 chapter shall not be deemed to constitute a debt, liability,
3 or obligation of the state or of any political subdivision
4 thereof or a pledge of the faith and credit of the state or of
5 any such political subdivision but shall be payable solely
6 from the revenues or assets of the commission. Obligations
7 issued under this chapter shall not be deemed to constitute a
8 debt, liability, or obligation of the state or of any
9 political subdivision thereof or a pledge of the faith and
10 credit of the state or of any such political subdivision but
11 shall be payable solely from the revenues or assets of the
12 commission. Each obligation issued under this chapter shall
13 contain on the face thereof a statement to the effect that the
14 commission shall be obligated to pay neither the same nor the
15 interest thereon except from the revenues or assets pledged
16 therefor and that neither the faith and credit nor the taxing
17 power of the state or of any political subdivision thereof is
18 pledged to the payment of the principal of or the interest on
19 such obligation.

20 (3) Bonds shall be authorized, issued, and sold by a
21 resolution of the commission adopted as provided in this
22 chapter and in accordance with applicable provisions of the
23 Internal Revenue Code. The bonds may be of such series; bear
24 such date or dates; mature at such time or times; bear
25 interest at such rate or rates, including variable,
26 adjustable, or zero interest rates; be payable at such time or
27 times; be in such denominations; be sold at such price or
28 prices, at public or private negotiated sale; be in such form;
29 carry such registration and exchangeability privileges; be
30 payable at such place or places; be subject to such terms of
31 redemption; and be entitled to such priorities on the income,

1 revenue, and receipts of, or available to, the commission as
2 may be provided by the commission in the resolution or
3 resolutions providing for the issuance and sale of the bonds
4 of the commission.

5 (4) Bonds of the commission shall be signed by the
6 members or officers of the commission, by either manual or
7 facsimile signature, as shall be determined by resolution or
8 resolutions of the commission and shall have impressed or
9 imprinted thereon the seal of the commission, or a facsimile
10 thereof. The coupons attached to coupon bonds of the
11 commission shall bear the facsimile signature of the member or
12 officer of the commission as shall be determined by resolution
13 or resolutions of the commission. The commission may also
14 provide for the authentication of the bonds, notes, or coupons
15 by a trustee or fiscal agent.

16 (5) Any bonds of the commission may be validly issued,
17 sold, and delivered, notwithstanding that one or more of the
18 members or officers of the commission signing the bonds or
19 whose facsimile signature may be on the bonds or on coupons,
20 shall have ceased to be a member or officer of the commission
21 at the time such bonds shall actually have been delivered.

22 (6) Bonds of the commission may be sold for such
23 price, in such manner, and from time to time as may be
24 determined by the commission to be most beneficial, and the
25 commission may pay all expenses, premiums, fees, or
26 commissions which it may deem necessary or advantageous in
27 connection with the issuance and sale thereof, subject to this
28 chapter.

29 (7) Bonds or notes may be issued in coupon or in
30 registered form, or both, as the commission may determine, and
31 provision may be made for the registration of any coupon bonds

1 or notes as to principal alone and also as to both principal
2 and interest, and for the reconversion into coupon bonds or
3 notes of any bonds or notes registered as to both principal
4 and interest, and for the interchange of registered and coupon
5 bonds or notes.

6 (8) Prior to the preparation of definitive bonds, the
7 commission may, under like restrictions, issue interim
8 receipts or temporary bonds, with or without coupons,
9 exchangeable for definitive bonds when such bonds shall have
10 been executed and are available for delivery. The commission
11 may also provide for the replacement of any bonds or notes
12 that shall become mutilated or shall be destroyed or lost.

13 (9) Bonds or notes may be issued under this chapter
14 without obtaining, except as otherwise expressly provided in
15 this chapter, the consent of any department, division,
16 commission, board, body, bureau, or agency of the state and
17 without any other proceedings or the happening of any
18 conditions or things other than those proceedings, conditions,
19 or things which are specifically required by this chapter and
20 the provisions of the resolution authorizing the issuance of
21 such bonds or notes or the trust agreement securing the same.

22 291.101 Exemption from competitive bid.--The
23 commission and all contracts made by it in carrying out its
24 public and essential governmental functions are exempt from
25 the laws of this state, under part I of chapter 287, which
26 provide for competitive bids in connection with such
27 contracts.

28 291.111 Statutory pledge.--Any pledge made by the
29 commission shall be valid and binding from time to time when
30 the pledge is made. The money, assets, or revenues of the
31 commission so pledged and thereafter received by the

1 commission shall immediately be subject to the lien of such
2 pledge without any physical delivery thereof or further act,
3 and the lien of any pledge shall be valid and binding as
4 against all parties having claims of any kind in tort,
5 contract, or otherwise against the commission, irrespective of
6 whether such parties have notice thereof. Neither the
7 resolution nor any other instrument by which a pledge is
8 created need be recorded or filed in order to establish and
9 perfect a lien or security interest in the property so pledged
10 by the commission. Nothing in this section shall be construed
11 to prohibit the commission from selling any assets subject to
12 any such pledge except to the extent that any such sale may be
13 restricted by the trust agreement or resolution providing for
14 the issuance of such obligations.

15 291.121 Refunding bonds.--

16 (1) Subject to the rights of the holders of the bonds
17 of the commission, the commission may issue from time to time
18 its bonds for the purpose of refunding any bonds of the
19 commission then outstanding, together with the payment of any
20 redemption premiums thereon and interest accrued or to accrue
21 to the date of redemption of the outstanding bonds. All such
22 refunding bonds of the commission shall be issued, sold or
23 exchanged, and delivered; shall be secured; and shall be
24 subject to this chapter in the same manner and to the same
25 extent as any other bonds issued by the commission pursuant to
26 this chapter, unless otherwise determined by resolution of the
27 commission. Refunding bonds issued by the commission as
28 provided in this section may be sold or exchanged for
29 outstanding bonds of the commission and, if sold, the proceeds
30 may be applied, in addition to any other authorized purposes,
31

1 to the purchase, redemption, or payment of the outstanding
2 bonds.

3 (2) Pending the application of the proceeds of any
4 such refunding obligations, with any other available funds, to
5 the payment of the principal, accrued interest, and any
6 redemption premium on the obligations being refunded, and, if
7 so provided or permitted in the resolution authorizing the
8 issuance of such refunding obligations or in the trust
9 agreement securing the same, to the payment of any interest on
10 such refunding obligations and any expenses in connection with
11 the refunding, such proceeds may be invested in direct
12 obligations of, or obligations the principal of and the
13 interest on which are unconditionally guaranteed by, the
14 United States of America which shall mature or which shall be
15 subject to redemption by the holders thereof, at the option of
16 the holders, not later than the respective dates when the
17 proceeds, together with the interest accruing thereon, will be
18 required for the purposes intended.

19 291.131 Purchase of bonds by commission.--Subject to
20 the rights of holders of bonds, the commission shall have the
21 power out of any funds available therefor to purchase bonds of
22 the commission, which shall thereupon be canceled at a price
23 not exceeding:

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

27 (2) The optional redemption price applicable on the
28 first date after such purchase upon which the notes or bonds
29 become subject to optional redemption plus accrued interest to
30 such date, if the bonds are not then subject to optional
31 redemption.

1 291.141 Exemption from taxes.--The exercise of the
2 powers granted by this chapter will be in all respects for the
3 benefit of the people of the state, for their well-being and
4 prosperity, and for the improvement of their social and
5 economic conditions. The commission shall not be required to
6 pay any tax or assessment on any property owned by the
7 commission under this chapter or upon the income therefrom.
8 Any obligations issued by the commission under this chapter
9 shall at all times be free from taxation by the state or any
10 local unit or political subdivision or other instrumentality
11 of the state.

12 291.151 Covenant of state.--In consideration of the
13 acceptance of and payment for the bonds of the commission by
14 the holders thereof, the state does pledge to and agree with
15 the holders of any bonds of the commission issued pursuant to
16 this chapter that the state will not impair, limit, or alter
17 the rights vested in the commission to fulfill the terms of
18 any agreements made with the holders of the bonds of the
19 commission or in any way impair the rights or remedies of the
20 holders thereof until such bonds, together with the interest
21 thereon, with interest on any unpaid installments of interest,
22 and all costs and expenses in connection with any action or
23 proceedings by or on behalf of such holders, are fully met and
24 discharged. The commission is authorized to include this
25 pledge and agreement of the state in any agreement with the
26 holders of bonds of the commission.

27 291.161 Funds held in trust.--

28 (1) Notwithstanding any other provisions of law to the
29 contrary, all funds received under this chapter shall be
30 deemed to be funds held in trust, to be held and applied
31 solely as provided in this chapter. Interest earned from these

1 funds and interest received from loans made from these funds
2 may be used for any purpose set out in this chapter and for
3 the costs of administering this chapter. The resolution
4 authorizing any obligations or the trust agreement securing
5 any obligations may provide that any of these funds may be
6 temporarily invested pending the disbursement of the funds and
7 shall provide that any officer with whom or any bank or trust
8 company with which such funds shall be deposited shall act as
9 trustee of the funds and shall hold and apply the funds for
10 the purposes under this chapter, subject to any rules adopted
11 pursuant to this chapter and any provisions in the provision
12 or trust agreement.

13 (2) All funds of the commission may be invested in the
14 following:

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

17 (b) Nonconvertible debt securities of the following
18 issuers:

19 1. The Federal Home Loan Bank Board.

20 2. Fannie Mae.

21 3. The Federal Farm Credit Bank.

22 4. The Student Loan Marketing Association.

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

26 (d) Certificates of deposit and other evidences of
27 deposit at state and federal chartered banks and savings and
28 loan associations, provided that any principal amount of such
29 certificate in excess of the amount insured by the Federal
30 Government or any agency thereof be fully collateralized.

31

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

5 (f) Money market funds whose portfolios consist of any
6 of the foregoing investments.

7 (g) A guaranteed investment or similar contract, which
8 provides for the investment of funds at a guaranteed rate of
9 return, with an insurance company or depository financial
10 institution with a claim-paying rating of no less than either
11 of the two highest grades given by a nationally recognized
12 rating agency.

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

15 291.171 Bonds as legal investment and security for
16 public deposits.--Obligations issued under this chapter are
17 securities in which all public officers and public bodies of
18 the state and its political subdivisions, all insurance
19 companies, trust companies, banking associations, investment
20 companies, executors, administrators, trustees, and other
21 fiduciaries may properly and legally invest funds, including
22 capital in their control or belonging to them. Such
23 obligations are hereby made securities that may properly and
24 legally be deposited with and received by any state or
25 municipal officer or any agency or political subdivision of
26 the state for any purpose for which the deposit of bonds,
27 notes, or obligations of the state is now or may hereafter be
28 authorized by law.

29 291.181 Accounts and audits.--
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1 (1) Subject to the provisions of any contract with the
2 holders of its bonds, the commission shall establish a system
3 of accounts.

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

8 (3) No later than December 31 of each year, the
9 commission shall submit to the Commissioner of Agriculture,
10 the Governor, the President of the Senate, and the Speaker of
11 the House of Representatives an annual report on the
12 operations of the commission. No later than March 1 of each
13 year, the commission shall submit to the Commissioner of
14 Agriculture, the Governor, the President of the Senate, and
15 the Speaker of the House of Representatives a copy of the
16 report of each audit of the books and accounts of the
17 commission.

18 291.191 Cooperation of state agencies.--Each state
19 officer and agency may render services to the commission
20 within their respective functions as may be requested by the
21 commission.

22 291.201 Construction of chapter.--This chapter, being
23 necessary for the welfare of the state and its residents,
24 shall be liberally construed to effect its purposes.

25 291.211 Termination of the commission.--In the event
26 of the termination of the commission, all of its rights,
27 funds, assets, and revenues in excess of its obligations shall
28 be deposited in the General Revenue Fund.

29 Section 2. Subsection (1) of section 159.804, Florida
30 Statutes, is amended to read:
31

1 159.804 Allocation of state volume limitation.--The
2 division shall annually determine the amount of private
3 activity bonds permitted to be issued in this state under the
4 Code and shall make such information available upon request to
5 any person or agency. The total amount of private activity
6 bonds authorized to be issued in this state pursuant to the
7 Code shall be initially allocated as follows on January 1 of
8 each year:

9 (1)(a) On January 1, 1993, the first \$75 million of
10 the state volume limitation shall be allocated to the
11 manufacturing facility pool established pursuant to s.
12 159.8081. This allocation shall be increased in subsequent
13 years in increments of \$7.5 million as follows: On January 1
14 of each year, if at least 75 percent of the preceding year's
15 allocation under this subsection was used to issue bonds by
16 November 15 of that year, the allocation to the pool for the
17 current year must equal the sum of the amount that was
18 allocated to the pool in the preceding year plus an additional
19 \$7.5 million. If, however, 75 percent of the preceding year's
20 allocation was not used to issue bonds by November 15, the
21 allocation to the pool for the current year must be the same
22 amount as that allocated to the pool in the preceding year.

23 (b) On January 1, 2006, the next \$25 million of the
24 state volume limitation shall be allocated to the rural
25 economic development bond pool established under s. 159.8082.
26 This allocation shall be increased in subsequent years in
27 increments of \$5 million as follows: On January 1 of each
28 year, if at least 75 percent of the preceding year's
29 allocation under this subsection was used to issue bonds by
30 November 15 of that year, the allocation to the pool for the
31 current year must equal the sum of the amount that was

1 allocated to the pool in the preceding year plus an additional
2 \$5 million; if, however, 75 percent of the preceding year's
3 allocation was not used to issue bonds by November 15, the
4 allocation to the pool for the current year must be the same
5 amount as that allocated to the pool in the preceding year.

6 ~~(c)(b)~~ If on January 1 of any year, under federal law,
7 bonds for manufacturing facilities or rural economic
8 development no longer require or are eligible for an
9 allocation pursuant to s. 146 of the Code or if a separate
10 volume cap is established for rural economic development bonds
11 under federal law, the allocation of the state volume
12 limitation in the manufacturing facility pool or the rural
13 economic development bond pool, or both if applicable, shall
14 be divided among the remaining pools in the following manner:
15 50 percent to be shared by the 17 regions for use in the
16 manner prescribed in subsection (2); 25 percent for use by the
17 Florida Housing Finance Corporation in the manner prescribed
18 in subsection (3); 5 percent for use in the state allocation
19 pool in the manner prescribed in subsection (4); and 20
20 percent for use in the Florida First Business allocation pool
21 in the manner prescribed in subsection (5).

22 ~~(d)(e)~~ If the state volume limitation imposed on
23 private activity bonds under s. 146 of the Code is decreased,
24 the amount allocated to the manufacturing facility pool shall
25 be decreased in proportion to the percentage the state volume
26 limitation is decreased.

27 Section 3. Section 159.8082, Florida Statutes, is
28 created to read:

29 159.8082 Rural economic development bond pool.--

30 (1) There is established the rural economic
31 development bond pool. The rural economic development bond

1 pool is available solely to provide written confirmations for
2 private activity bonds to the Florida Rural Economic
3 Development Commission to finance rural economic development
4 as described in chapter 291. Allocations from this pool must
5 be awarded for use on a statewide basis pursuant to the
6 procedures specified in s. 159.805, except that the provisions
7 of s. 159.805(2) and (3) do not apply. In issuing written
8 confirmations of allocations for rural economic development
9 projects, the division must use the rural economic development
10 bond pool. If allocation is not available from the rural
11 economic development bond pool, the division must issue
12 written confirmations of allocations for rural economic
13 development projects under s. 159.806 or s. 159.807, in that
14 order. For the purposes of determining priority within a
15 regional allocation pool or the state allocation pool, notices
16 of intent to issue bonds for rural economic development
17 projects to be issued from a regional allocation pool or the
18 state allocation pool are considered to have been received by
19 the division at the time it is determined by the division that
20 the rural economic development bond pool is unavailable to
21 issue confirmation for the rural development project.

22 (2) Any written confirmation issued by the director
23 pursuant to this section has no effect unless the bonds to
24 which such confirmation applies have been issued by the
25 Florida Rural Economic Development Commission and written
26 notice of the issuance has been provided to the director on or
27 before November 15, unless funds eligible for carryforward
28 were granted for the allocation.

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

31 159.809 Recapture of unused amounts.--

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

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

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