

Bill No. SB 198

Barcode 300430

CHAMBER ACTION

Senate

House

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The Committee on Governmental Operations (Oelrich) recommended the following amendment:

Senate Amendment (with title amendment)

On page 5, line 13, through page 10, line 28, delete those lines

and insert:

(b) Invest and reinvest the assets of the firefighters' pension trust fund in accordance with s. 112.661.

~~1. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.~~

~~2. Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.~~

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1 ~~3. Bonds issued by the State of Israel.~~

2 ~~4. Bonds, stocks, or other evidences of indebtedness~~
3 ~~issued or guaranteed by a corporation organized under the laws~~
4 ~~of the United States, any state or organized territory of the~~
5 ~~United States, or the District of Columbia, provided:~~

6 ~~a. The corporation is listed on any one or more of the~~
7 ~~recognized national stock exchanges or on the National Market~~
8 ~~System of the NASDAQ Stock Market and, in the case of bonds~~
9 ~~only, holds a rating in one of the three highest~~
10 ~~classifications by a major rating service; and~~

11 ~~b. The board of trustees shall not invest more than 5~~
12 ~~percent of its assets in the common stock or capital stock of~~
13 ~~any one issuing company, nor shall the aggregate investment in~~
14 ~~any one issuing company exceed 5 percent of the outstanding~~
15 ~~capital stock of that company or the aggregate of its~~
16 ~~investments under this subparagraph at cost exceed 50 percent~~
17 ~~of the assets of the fund.~~

18
19 ~~This paragraph shall apply to all boards of trustees and~~
20 ~~participants. However, in the event that a municipality or~~
21 ~~special fire control district has a duly enacted pension plan~~
22 ~~pursuant to, and in compliance with, s. 175.351, and the~~
23 ~~trustees thereof desire to vary the investment procedures~~
24 ~~herein, the trustees of such plan shall request a variance of~~
25 ~~the investment procedures as outlined herein only through a~~
26 ~~municipal ordinance, special act of the Legislature, or~~
27 ~~resolution by the governing body of the special fire control~~
28 ~~district; where a special act, or a municipality by ordinance~~
29 ~~adopted prior to July 1, 1998, permits a greater than~~
30 ~~50 percent equity investment, such municipality shall not be~~
31 ~~required to comply with the aggregate equity investment~~

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1 ~~provisions of this paragraph. Notwithstanding any other~~
 2 ~~provision of law to the contrary, nothing in this section may~~
 3 ~~be construed to take away any preexisting legal authority to~~
 4 ~~make equity investments that exceed the requirements of this~~
 5 ~~paragraph. The board of trustees may invest up to 10 percent~~
 6 ~~of plan assets in foreign securities.~~

7 (c) Issue drafts upon the firefighters' pension trust
 8 fund pursuant to this act and rules and regulations prescribed
 9 by the board of trustees. All such drafts shall be
 10 consecutively numbered, be signed by the chair and secretary
 11 or by two individuals designated by the board who are subject
 12 to the same fiduciary standards as required for the board of
 13 trustees under this subsection, and state upon their faces the
 14 purpose for which the drafts are drawn. The treasurer or
 15 depository of each municipality or special fire control
 16 district shall retain such drafts when paid, as permanent
 17 vouchers for disbursements made, and no money shall be
 18 otherwise drawn from the fund.

19 (d) Convert into cash any securities of the fund.

20 (e) Keep a complete record of all receipts and
 21 disbursements and of the board's acts and proceedings.

22 Section 1. Paragraph (a) of subsection (1) of section
 23 185.05, Florida Statutes, is amended to read:

24 185.05 Board of trustees; members; terms of office;
 25 meetings; legal entity; costs; attorney's fees.--For any
 26 municipality, chapter plan, local law municipality, or local
 27 law plan under this chapter:

28 (1) In each municipality described in s. 185.03 there
 29 is hereby created a board of trustees of the municipal police
 30 officers' retirement trust fund, which shall be solely
 31 responsible for administering the trust fund. Effective

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1 October 1, 1986, and thereafter:

2 (a) The membership of the board of trustees for
3 chapter plans shall consist of five members, two of whom,
4 unless otherwise prohibited by law, shall be legal residents
5 of the municipality, who shall be appointed by the legislative
6 body of the municipality, and two of whom shall be police
7 officers as defined in s. 185.02 who shall be elected by a
8 majority of the active police officers who are members of such
9 plan. With respect to any chapter plan or local law plan that,
10 on January 1, 1997, allowed retired police officers to vote in
11 such elections, retirees may continue to vote in such
12 elections. The fifth member shall be chosen by a majority of
13 the previous four members, and such person's name shall be
14 submitted to the legislative body of the municipality. Upon
15 receipt of the fifth person's name, the legislative body of
16 the municipality shall, as a ministerial duty, appoint such
17 person to the board of trustees as its fifth member. The
18 fifth member shall have the same rights as each of the other
19 four members appointed or elected as herein provided, shall
20 serve as trustee for a period of 2 years, and may succeed
21 himself or herself in office. Each resident member shall serve
22 as trustee for a period of 2 years, unless sooner replaced by
23 the legislative body at whose pleasure the member shall serve,
24 and may succeed himself or herself as a trustee. Each police
25 officer member shall serve as trustee for a period of 2 years,
26 unless he or she sooner leaves the employment of the
27 municipality as a police officer, whereupon the legislative
28 body of the municipality shall choose a successor in the same
29 manner as an original appointment. Each police officer may
30 succeed himself or herself in office. Effective upon this act
31 becoming a law, the terms of office of the appointed and

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1 elected members of the board may be amended by municipal
 2 ordinance or special act of the Legislature to extend the
 3 terms of office from 2 years to 4 years. The length of the
 4 terms of office must be the same for all board members.

5 Section 2. Subsection (1) of section 185.06, Florida
 6 Statutes, is amended to read:

7 185.06 General powers and duties of board of
 8 trustees.--For any municipality, chapter plan, local law
 9 municipality, or local law plan under this chapter:

10 (1) The board of trustees, subject to the fiduciary
 11 standards in ss. 112.656, 112.661, and 518.11 and the Code of
 12 Ethics in ss. 112.311-112.3187, may:

13 (a) Invest and reinvest the assets of the retirement
 14 trust fund in annuity and life insurance contracts of life
 15 insurance companies in amounts sufficient to provide, in whole
 16 or in part, the benefits to which all of the participants in
 17 the municipal police officers' retirement trust fund shall be
 18 entitled under the provisions of this chapter, and pay the
 19 initial and subsequent premiums thereon.

20 (b) Invest and reinvest the assets of the retirement
 21 trust fund in accordance with s. 112.661.+

22 ~~1. Time or savings accounts of a national bank, a~~
 23 ~~state bank insured by the Bank Insurance Fund, or a savings~~
 24 ~~and loan association insured by the Savings Association~~
 25 ~~Insurance Fund which is administered by the Federal Deposit~~
 26 ~~Insurance Corporation or a state or federal chartered credit~~
 27 ~~union whose share accounts are insured by the National Credit~~
 28 ~~Union Share Insurance Fund.~~

29 ~~2. Obligations of the United States or obligations~~
 30 ~~guaranteed as to principal and interest by the United States.~~

31 ~~3. Bonds issued by the State of Israel.~~

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1 ~~4. Bonds, stocks, or other evidences of indebtedness~~
2 ~~issued or guaranteed by a corporation organized under the laws~~
3 ~~of the United States, any state or organized territory of the~~
4 ~~United States, or the District of Columbia, provided:~~

5 ~~a. The corporation is listed on any one or more of the~~
6 ~~recognized national stock exchanges or on the National Market~~
7 ~~System of the NASDAQ Stock Market and, in the case of bonds~~
8 ~~only, holds a rating in one of the three highest~~
9 ~~classifications by a major rating service; and~~

10 ~~b. The board of trustees shall not invest more than 5~~
11 ~~percent of its assets in the common stock or capital stock of~~
12 ~~any one issuing company, nor shall the aggregate investment in~~
13 ~~any one issuing company exceed 5 percent of the outstanding~~
14 ~~capital stock of the company or the aggregate of its~~
15 ~~investments under this subparagraph at cost exceed 50 percent~~
16 ~~of the fund's assets.~~

17
18 ~~This paragraph shall apply to all boards of trustees and~~
19 ~~participants. However, in the event that a municipality has a~~
20 ~~duly enacted pension plan pursuant to, and in compliance with,~~
21 ~~s. 185.35 and the trustees thereof desire to vary the~~
22 ~~investment procedures herein, the trustees of such plan shall~~
23 ~~request a variance of the investment procedures as outlined~~
24 ~~herein only through a municipal ordinance or special act of~~
25 ~~the Legislature; where a special act, or a municipality by~~
26 ~~ordinance adopted prior to July 1, 1998, permits a greater~~
27 ~~than 50-percent equity investment, such municipality shall not~~
28 ~~be required to comply with the aggregate equity investment~~
29 ~~provisions of this paragraph. Notwithstanding any other~~
30 ~~provision of law to the contrary, nothing in this section may~~
31 ~~be construed to take away any preexisting legal authority to~~

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1 ~~make equity investments that exceed the requirements of this~~
 2 ~~paragraph. The board of trustees may invest up to 10 percent~~
 3 ~~of plan assets in foreign securities.~~

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

7 And the title is amended as follows:

8 On page 1, lines 12-30, delete those lines

9

10 and insert:

11 provisions; revising requirements governing the
 12 investment or reinvestment of the assets of a
 13 firefighters' pension trust fund by the board
 14 of trustees; removing provisions limiting the
 15 investment or reinvestment of the assets of the
 16 trust fund; authorizing investment or
 17 reinvestment that is consistent with a written
 18 investment policy of the board of trustees;
 19 providing criteria for the policy; authorizing
 20 the board of trustees to designate persons
 21 other than the chair and secretary to sign
 22 drafts drawn on the trust fund and prescribing
 23 qualifications for such persons; amending s.
 24 185.05, F.S.; providing for terms of office of
 25 members of the board of trustees of a municipal
 26 police officers' retirement trust fund to be
 27 revised under certain circumstances; amending
 28 s. 185.06, F.S.; requiring such a board of
 29 trustees to perform its functions subject to
 30 certain fiduciary standards and ethics
 31 provisions; revising requirements governing the

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2 of the assets of a municipal police officers'
3 pension trust fund by the board of trustees;
4 removing provisions limiting the investment or
5 reinvestment of the assets of the trust fund;
6 authorizing investment or reinvestment that is
7 consistent with a written investment policy of
8 the board of trustees; providing criteria for
9 the policy; authorizing the board of

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