

By Senator Fasano

11-494-07

1                                   A bill to be entitled  
 2           An act relating to state public officials;  
 3           creating s. 112.3142, F.S.; defining the terms  
 4           "cabinet member" and "covered public official";  
 5           requiring a covered public official to place  
 6           all of his or her personal investments of  
 7           stocks and bonds into a publicly traded mutual  
 8           fund or a qualified blind trust; providing for  
 9           after-acquired financial interests; setting  
 10          forth the requirements for a qualifying blind  
 11          trust; requiring that a copy of the qualified  
 12          blind trust agreement be filed with the  
 13          Commission on Ethics within a specified period;  
 14          providing for the revocation of a qualified  
 15          blind trust; prohibiting a covered public  
 16          official from attempting to influence or  
 17          exercise any control over decisions regarding  
 18          the management of the qualified blind trust or  
 19          engaging in any activity involving a violation  
 20          of the standards of conduct for public officers  
 21          set forth in law; providing an effective date.  
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 23   Be It Enacted by the Legislature of the State of Florida:  
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 25           Section 1. Section 112.3142, Florida Statutes, is  
 26   created to read:  
 27           112.3142 Qualified blind trusts.--  
 28           (1) As used in this section, the term:  
 29           (a) "Cabinet" member has the same meaning as in s.  
 30   20.03.  
 31           (b) "Commission" means the Commission on Ethics.

1           (c) "Covered public official" means the Governor, the  
2 Lieutenant Governor, and each member of the Cabinet.

3           (2)(a) A covered public official shall, before taking  
4 office, place all of his or her personal investments of stocks  
5 and bonds into a publicly traded mutual fund or a qualified  
6 blind trust.

7           (b) During the covered public official's term of  
8 office, he or she may not voluntarily acquire any personal  
9 investment in a stock or bond except in the form of publicly  
10 traded mutual funds.

11           (c) If the covered public official acquires a  
12 financial interest in the stock or bond of a business entity  
13 during the covered public official's term of office due to  
14 events or actions beyond the covered public official's  
15 control, the covered public official shall immediately sell  
16 the financial interest or place the financial interest in a  
17 qualified blind trust.

18           (3) In order to constitute a qualified blind trust,  
19 the trust must be established by the covered public official  
20 and meet the following requirements:

21           (a) The person appointed as a trustee of the qualified  
22 blind trust must be:

23           1. A disinterested party. A disinterested party may  
24 not be the covered public official's spouse, child, parent,  
25 grandparent, grandchild, brother, sister, parent-in-law,  
26 brother-in-law, sister-in-law, aunt, uncle, or first cousin,  
27 or the spouse of any such person.

28           2. A person who is not an elected or appointed public  
29 officer or a public employee.

1           3. A person who has not been appointed to serve in an  
2 agency by the covered public official or by a public officer  
3 or public employee supervised by the covered public official.

4           (b) The qualified blind trust agreement must give the  
5 trustee complete discretion to manage the trust, including,  
6 but not limited to, the power to dispose of or acquire trust  
7 assets without consulting or notifying the covered public  
8 official.

9           (c) The trustee must notify the covered public  
10 official of the date of disposition and value at disposition  
11 of any original investment or interest in real property in  
12 order that the information may be reported on the covered  
13 public official's statement of financial interests and  
14 applicable tax returns.

15           (d) The qualified blind trust agreement must prohibit  
16 the trustee from disclosing to the covered public official any  
17 information concerning replacement assets to the trust, except  
18 for information required for inclusion in disclosure forms  
19 required under this part and the minimum tax information that  
20 lists only the totals of taxable items from the trust and does  
21 not describe the source of individual items of income.

22           (4) A copy of the qualified blind trust agreement must  
23 be filed with the commission no later than 5 business days  
24 after the agreement is executed and must include:

25           (a) A listing of the assets placed in the qualified  
26 blind trust;

27           (b) A statement detailing the date the agreement was  
28 executed;

29           (c) The name and address of the trustee; and

30           (d) A separate statement signed by the trustee, under  
31 penalty of perjury, certifying that he or she has not revealed

1 any information to the covered public official except for  
2 information that is authorized under this section, and that,  
3 to the best of the trustee's knowledge, the submitted  
4 qualified blind trust agreement complies with this section.

5 (5) If the trust is revoked by the covered public  
6 official while the official remains a covered public official,  
7 or if the covered public official learns of any replacement  
8 assets that are added to the qualified blind trust, the  
9 covered public official must file an amendment to his or her  
10 most recent statement of financial interests. The amendment  
11 must be filed no later than 60 days after the date of  
12 revocation or the addition of the replacement assets. The  
13 covered public official must disclose the previously  
14 unreported pro rata share of the qualified blind trust's  
15 interests in investments or income deriving from any such  
16 investments. For the purpose of this section, any replaced  
17 asset of which the covered public official learns shall  
18 thereafter be treated as though the asset were an original  
19 asset of the qualified blind trust.

20 (6) A covered public official may not:

21 (a) Attempt to influence or exercise any control over  
22 decisions regarding the management of the qualified blind  
23 trust.

24 (b) Engage, directly or indirectly, in an activity  
25 involving any financial interest of the public official which  
26 violates s. 112.313.

27 Section 2. This act shall take effect July 1, 2007.  
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SENATE SUMMARY

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Requires a covered public official to place all of his or her personal investments of stocks and bonds into a publicly traded mutual fund or a qualified blind trust. Provides for after-acquired financial interests. Sets forth the requirements for a qualifying blind trust. Requires that a copy of the qualified blind trust agreement be filed with the Commission on Ethics within 5 days. Provides for the revocation of a qualified blind trust. Prohibits a covered public official from attempting to influence or exercise any control over decisions regarding the management of the qualified blind trust or engaging in any activity involving a violation of the standards of conduct for public officers set forth in law.