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601-05623I-08

Proposed Committee Substitute by the Committee on General
Government Appropriations

1 A bill to be entitled
2 An act relating to financial services; creating s.
3 17.0315, F.S.; establishing a task force to develop a
4 successor financial and cash management system; requiring
5 the Chief Financial Officer to appoint members to and head
6 such task force; requiring that the directors of the
7 Agency for Enterprise Information Technology and the
8 Office of Policy and Budget in the Executive Office of the
9 Governor participate as members of the task force;
10 providing a purpose; requiring members to consult with the
11 administrative services directors, finance and accounting
12 offices, and budget directors of all branches of state
13 government; requiring the task force to submit a report
14 and draft legislation to the Governor and the Legislature
15 by a certain date; requiring that certain information be
16 included in such report; amending s. 20.121, F.S.;
17 establishing the Strategic Markets Research and Assessment
18 Unit within the Office of Financial Regulation; requiring
19 that the unit periodically report to the Financial
20 Services Commission and the Legislature; specifying the
21 information be included in such report; amending s.
22 517.315, F.S.; requiring the Office of Financial
23 Regulation of the Financial Services Commission to
24 transfer the entire registration assessment fee paid by
25 associated persons and a certain percentage of the
26 assessment fee paid by dealers and investment advisors to
27 the Regulatory Trust Fund; amending ss. 626.932 and



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28 626.938, F.S.; revising the required percentages of funds
29 collected pursuant to certain taxes on surplus lines
30 premiums and related interest that must be deposited into
31 the Insurance Regulatory Trust Fund and the General
32 Revenue Fund; providing an effective date.

33
34 Be It Enacted by the Legislature of the State of Florida:

35
36 Section 1. Section 17.0315, Florida Statutes, is created to
37 read:

38 17.0315 Financial and cash management system; task force.--

39 (1) The Chief Financial Officer shall be the head of and
40 appoint members to a task force that shall include the executive
41 director of the Agency for Enterprise Information Technology and
42 the director of the Office of Policy and Budget in the Executive
43 Office of the Governor. The task force is established to develop
44 a successor financial and cash management system that:

45 (a) Promotes transparency in the accounting of public
46 funds;

47 (b) Provides timely and accurate transactional processes by
48 agencies and their professional staffs;

49 (c) Interfaces with other systems providing human
50 resources, procurement of goods and services, and other
51 enterprise functions;

52 (d) Interfaces with the existing legislative
53 appropriations, planning, and budgeting systems;

54 (e) Permits proper disbursement and auditing controls
55 consistent with the respective constitutional duties of the Chief
56 Financial Officer and the Legislature;

57 (f) Supports executive reporting and data analysis



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58 requirements; and

59 (g) Follows the information technology strategy developed
60 by the Agency for Enterprise Information Technology.

61 (2) Members appointed to the task force, or their designee,
62 shall consult with state agency administrative services
63 directors, finance and accounting offices, and budget directors
64 of all branches of Florida government. The task force shall
65 submit to the Governor, the President of the Senate, and the
66 Speaker of the House of Representatives a report that:

67 (a) Identifies problems and opportunities posed by current
68 law and the current administration with existing state accounting
69 systems;

70 (b) Provides developmental solutions to known failures
71 identified by external review and audit reports;

72 (c) Recommends business processes and requirements to
73 support a standardized statewide accounting system;

74 (d) Identifies revised rulemaking procedures needed to
75 ensure the operational and security integrity of any successor
76 system;

77 (e) Evaluates different funding approaches to equitably
78 distribute common accounting infrastructure costs across all
79 participating users; and

80 (f) Provides an executable, enterprise-wide work product
81 that can be used as the basis for a revised competitive
82 procurement for the implementation of a successor system.

83

84 The Chief Financial Officer shall submit the initial report,
85 along with draft legislation recommended to implement a
86 standardized statewide financial and cash management system, by
87 January 1, 2009.



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88 Section 2. Paragraph (a) of subsection (3) of section
89 20.121, Florida Statutes, is amended to read:

90 20.121 Department of Financial Services.--There is created
91 a Department of Financial Services.

92 (3) FINANCIAL SERVICES COMMISSION.--Effective January 7,
93 2003, there is created within the Department of Financial
94 Services the Financial Services Commission, composed of the
95 Governor, the Attorney General, the Chief Financial Officer, and
96 the Commissioner of Agriculture, which shall for purposes of this
97 section be referred to as the commission. Commission members
98 shall serve as agency head of the Financial Services Commission.
99 The commission shall be a separate budget entity and shall be
100 exempt from the provisions of s. 20.052. Commission action shall
101 be by majority vote consisting of at least three affirmative
102 votes. The commission shall not be subject to control,
103 supervision, or direction by the Department of Financial Services
104 in any manner, including purchasing, transactions involving real
105 or personal property, personnel, or budgetary matters.

106 (a) Structure.--The major structural unit of the commission
107 is the office. Each office shall be headed by a director. The
108 following offices are established:

109 1. The Office of Insurance Regulation, which shall be
110 responsible for all activities concerning insurers and other risk
111 bearing entities, including licensing, rates, policy forms,
112 market conduct, claims, issuance of certificates of authority,
113 solvency, viatical settlements, premium financing, and
114 administrative supervision, as provided under the insurance code
115 or chapter 636. The head of the Office of Insurance Regulation is
116 the Director of the Office of Insurance Regulation, who may also
117 be known as the Commissioner of Insurance Regulation.



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118 2.a. The Office of Financial Regulation, which shall be
119 responsible for all activities of the Financial Services
120 Commission relating to the regulation of banks, credit unions,
121 other financial institutions, finance companies, and the
122 securities industry. The head of the office is the Director of
123 the Office of Financial Regulation, who may also be known as the
124 Commissioner of Financial Regulation. The Office of Financial
125 Regulation shall include a Bureau of Financial Investigations,
126 which shall function as a criminal justice agency for purposes of
127 ss. 943.045-943.08 and shall have a separate budget. The bureau
128 may conduct investigations within or outside this state as the
129 bureau deems necessary to aid in the enforcement of this section.
130 If, during an investigation, the office has reason to believe
131 that any criminal law of this state has or may have been
132 violated, the office shall refer any records tending to show such
133 violation to state or federal law enforcement or prosecutorial
134 agencies and shall provide investigative assistance to those
135 agencies as required.

136 b. The Strategic Markets Research and Assessment Unit is
137 established within the Office of Financial Regulation. The unit
138 shall report on September 1, 2008, and quarterly thereafter, to
139 the Financial Services Commission, the President of the Senate,
140 and the Speaker of the House of Representatives on the status of
141 Florida's financial services markets. At a minimum, the report
142 must include a summary of key national and international economic
143 issues, trends, and threats that broadly impact the condition of
144 the financial services industries, along with the effect of such
145 conditions on financial institutions, the securities industries,
146 other financial entities, the credit market, and the economic
147 status of the residents and businesses of Florida. In order to



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148 ensure adequate protection for the economic well-being of the
149 residents and businesses of Florida, the unit shall also submit
150 to the commission, the President of the Senate, and the Speaker
151 of the House of Representatives its findings and recommendations
152 regarding regulatory and policy changes.

153 Section 3. Section 517.315, Florida Statutes, is amended to
154 read:

155 517.315 Fees.--All fees of any nature collected by the
156 office pursuant to this chapter shall be disbursed as follows:

157 (1) The office shall transfer the amount of fees required
158 to be deposited into the Securities Guaranty Fund pursuant to s.
159 517.131;

160 (2) After the transfer required in subsection (1), the
161 office shall transfer ~~\$20~~ of the \$50 assessment fee collected
162 from each associated person under s. 517.12(10) and (11) and
163 30.44 percent of the \$100 assessment fee paid by dealers and
164 investment advisors for each office in the state under s.
165 517.12(10) and (11) to the Regulatory Trust Fund; and

166 (3) All remaining fees shall be deposited into the General
167 Revenue Fund.

168 Section 4. Subsection (5) of section 626.932, Florida
169 Statutes, is amended to read:

170 626.932 Surplus lines tax.--

171 (5) The department shall deposit 19.02 ~~24.3~~ percent of all
172 taxes collected under this section to the credit of the Insurance
173 Regulatory Trust Fund. Eighty and ninety-eight hundredths
174 ~~Seventy-five and seven-tenths~~ percent of all taxes collected
175 under this section shall be deposited into the General Revenue
176 Fund.



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177 Section 5. Subsection (7) of section 626.938, Florida
178 Statutes, is amended to read:

179 626.938 Report and tax of independently procured
180 coverages.--

181 (7) The department shall deposit 19.02 ~~24.3~~ percent of all
182 taxes and interest collected under this section to the credit of
183 the Insurance Regulatory Trust Fund. Eighty and ninety-eight
184 hundredths ~~Seventy-five and seven-tenths~~ percent of all taxes and
185 interest collected under this section shall be deposited into the
186 General Revenue Fund.

187 Section 6. This act shall take effect July 1, 2008.