

By the Committee on Governmental Operations; and Senators Ring,
Diaz de la Portilla and Crist

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1 A bill to be entitled

2 An act relating to stimulating the economy; providing
3 legislative findings and intent; amending s. 215.44, F.S.;
4 requiring the State Board of Administration to report on
5 the amount and type of technology and growth investments
6 held by each fund; amending s. 215.47, F.S.; authorizing
7 the board to invest a certain percentage of net assets in
8 technology and growth investments; increasing the
9 percentage amount of alternative investments in any fund,
10 including investments that are not publicly traded or
11 specifically authorized; authorizing the board to offer
12 opportunities to small state-based investment management
13 firms; creating s. 215.474, F.S.; requiring the Office of
14 Program Policy Analysis and Government Accountability to
15 perform an annual review of technology and growth
16 investments made by the board and report to the
17 Legislature; creating the Reusable Space Vehicle Industry
18 Prize Program within the Office of Tourism, Trade, and
19 Economic Development of the Executive Office of the
20 Governor; providing for a specified cash prize to be
21 awarded to the individual or firm providing the most
22 significant advancements within the reusable space vehicle
23 industry during a specified period; requiring that the
24 Lieutenant Governor serve as chair of the program and
25 appoint a committee; requiring that the committee perform
26 certain tasks; requiring that the office adopt certain
27 rules; providing for the program to terminate on a
28 specified date; providing an effective date.

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

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32 Section 1. The Legislature finds that financially prudent
33 technology and growth investments by the State Board of
34 Administration with funds from the Florida Retirement System
35 Trust Fund have the potential for high-growth, high-wage jobs
36 that will provide significant benefits to state residents and a
37 variety of business sectors. The Legislature further finds that
38 such investments will create jobs and housing, improve the
39 state's general infrastructure, and serve the broad interests of
40 the beneficiaries of the trust fund. The Legislature also finds
41 that technology and growth investments help promote employer
42 contributions to the system by strengthening the economy and the
43 well-being of employers. Therefore, it is a policy of this state
44 that the State Board of Administration identify and invest in
45 technology and growth investments if such investments are
46 consistent with and do not compromise or conflict with the
47 fiduciary duties of the State Board of Administration to the
48 participants, members, and beneficiaries of the Florida
49 Retirement System.

50 Section 2. Subsection (5) of section 215.44, Florida
51 Statutes, is amended to read:

52 215.44 Board of Administration; powers and duties in
53 relation to investment of trust funds.--

54 (5) On or before January 1 of each year, the board shall
55 provide to the Legislature a report including the following items
56 for each fund which, by law, has been entrusted to the board for
57 investment:

58 (a) A schedule of the annual beginning and ending asset

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59 | values and changes and sources of changes in the asset value of:

60 | 1. Each fund managed by the board; and

61 | 2. Each asset class and portfolio within the Florida
62 | Retirement System Trust Fund.~~†~~

63 | (b) A description of the investment policy for each fund,
64 | and changes in investment policy for each fund since the previous
65 | annual report.~~†~~

66 | (c) A description of compliance with investment strategy
67 | for each fund.~~†~~

68 | (d) A description of the risks inherent in investing in
69 | financial instruments of the major asset classes held in the
70 | fund.~~†~~ ~~and~~

71 | (e) A summary of the type and amount of technology and
72 | growth investments held by each fund.

73 | (f) ~~(e)~~ Other information deemed of interest by the
74 | executive director of the board.

75 | Section 3. Present subsections (7) through (17) of section
76 | 215.47, Florida Statutes, are renumbered as subsections (8)
77 | through (18), respectively, new subsections (7) and (19) are
78 | added to that section, and present subsection (14) of that
79 | section is amended, to read:

80 | 215.47 Investments; authorized securities; loan of
81 | securities.--Subject to the limitations and conditions of the
82 | State Constitution or of the trust agreement relating to a trust
83 | fund, moneys available for investments under ss. 215.44-215.53
84 | may be invested as follows:

85 | (7) The State Board of Administration, consistent with its
86 | fiduciary duties, may invest up to 1.5 percent of the net assets
87 | of the system trust fund in technology and growth investments of

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88 businesses domiciled in this state or businesses whose principal
89 address is in this state. As used in this subsection, the term
90 "technology and growth investments" includes, but is not limited
91 to, aerospace and aviation engineering, computer technology,
92 renewable energy, and medical and life sciences.

93 (15)-(14) With no more, in the aggregate, than 10 5 percent
94 of any fund in alternative investments, as defined in s.
95 215.44(8)(c)1.a., through participation in the vehicles defined
96 in s. 215.44(8)(c)1.b., or in securities or investments that are
97 not publicly traded and are not otherwise authorized by this
98 section.

99 (19) The State Board of Administration may offer
100 opportunities to small, state-based investment management firms
101 to facilitate their development and growth.

102 Section 4. Section 215.474, Florida Statutes, is created to
103 read:

104 215.474 Analyses of technology and growth investments.--The
105 Office of Program Policy Analysis and Government Accountability
106 shall perform an annual review of technology and growth
107 investments made by the State Board of Administration and submit
108 its findings to the State Board of Administration, the President
109 of the Senate, and the Speaker of the House of Representatives by
110 January 15 of each year. The office may consult with the board,
111 the Department of Revenue, the Office of Economic and Demographic
112 Research, and other entities as necessary to obtain and evaluate
113 the information requested. The annual review shall include:

114 (1) The dollar amount of technology and growth investments
115 made by the board during the previous year ending June 30 and the
116 investment's percentage share of the system trust fund's net

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117 assets.

118 (2) A list of investments identified by the board as
119 technology and growth investments within each asset class.

120 (3) An analysis of the direct and indirect economic
121 benefits to the state resulting from the technology and growth
122 investments.

123 Section 5. Reusable Space Vehicle Industry Prize Program.--

124 (1) The Legislature finds that awarding a prize for
125 achieving a specific goal stimulates entrepreneurial investment
126 in the state, which ultimately produces a significant monetary
127 return on the prize purse as well as considerable social benefit.

128 (2) There is created within the Office of Tourism, Trade,
129 and Economic Development of the Executive Office of the Governor
130 a Reusable Space Vehicle Industry Prize Program.

131 (3) The program shall award a one-time cash prize in the
132 amount of \$40 million, including \$20 million in state funds and
133 \$20 million in funds provided by private sponsors, to the firm or
134 individual in the private sector providing the most significant
135 advancements within the reusable space vehicle industry during
136 the period beginning January 1, 2009, and ending January 1, 2014.

137 (4) The Lieutenant Governor of Florida shall serve as chair
138 of the program and appoint a committee for the purpose of
139 establishing or adopting an application form, criteria for
140 awarding the prize, and any other rules or guidelines related to
141 the entry, judging, administration, or results of the program.
142 The application and all other information shall be posted on the
143 website of the Office of Tourism, Trade, and Economic Development
144 on or before January 1, 2009.

145 (5) The structure and operation of the program shall, to

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146 the extent practicable, mirror the Ansari X Prize program awarded
147 by the X PRIZE FOUNDATION on November 6, 2004.

148 (6) The Office of Tourism, Trade, and Economic Development
149 shall adopt rules necessary to administer the program.

150 (7) The program shall terminate January 2, 2014.

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