

20082310e2

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

20082310e2

30
31 Be It Enacted by the Legislature of the State of Florida:
32

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

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

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

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

20082310e2

59 (a) A schedule of the annual beginning and ending asset
60 values and changes and sources of changes in the asset value of:

- 61 1. Each fund managed by the board; and
62 2. Each asset class and portfolio within the Florida
63 Retirement System Trust Fund.~~†~~

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

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

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

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

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

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

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

86 (7) The State Board of Administration, consistent with its
87 fiduciary duties, may invest up to 1.5 percent of the net assets

20082310e2

88 of the system trust fund in technology and growth investments of
89 businesses domiciled in this state or businesses whose principal
90 address is in this state. As used in this subsection, the term
91 "technology and growth investments" includes, but is not limited
92 to, space technology, aerospace and aviation engineering,
93 computer technology, renewable energy, and medical and life
94 sciences. For the purposes of this chapter, "life sciences" means
95 the use of information technology, engineering, and biological
96 and chemical sciences for the development and production of goods
97 and services, including, but not limited to, drug development,
98 medical implants and devices, bio-related diagnostic products,
99 bioagriculture technologies, biosecurity, biofuels, and bio-
100 related applications.

101 (15)-(14) With no more, in the aggregate, than 10 5 percent
102 of any fund in alternative investments, as defined in s.
103 215.44(8)(c)1.a., through participation in the vehicles defined
104 in s. 215.44(8)(c)1.b., or in securities or investments that are
105 not publicly traded and are not otherwise authorized by this
106 section.

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

110 Section 4. Section 215.474, Florida Statutes, is created to
111 read:

112 215.474 Analyses of technology and growth investments.--The
113 Office of Program Policy Analysis and Government Accountability
114 shall perform an annual review of technology and growth
115 investments made in Florida-based companies by the State Board of
116 Administration and submit its findings to the State Board of

20082310e2

117 Administration, the President of the Senate, and the Speaker of
118 the House of Representatives by January 15 of each year. The
119 office may consult with the board, the Department of Revenue, the
120 Office of Economic and Demographic Research, and other entities
121 as necessary to obtain and evaluate the information requested.
122 The annual review shall include:

123 (1) The dollar amount of technology and growth investments
124 in the state made by the board during the previous year ending
125 June 30 and the investment's percentage share of the system trust
126 fund's net assets.

127 (2) A list of investments in the state identified by the
128 board as technology and growth investments within each asset
129 class.

130 (3) An analysis of the direct and indirect economic
131 benefits to the state resulting from the technology and growth
132 investments.

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

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

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

141 (3) The program shall award a one-time cash prize in the
142 amount of \$40 million, including \$20 million in state funds and
143 \$20 million in funds provided by private sponsors, to the firm or
144 individual in the private sector providing the most significant
145 advancements within the reusable space vehicle industry during

20082310e2

146 the period beginning January 1, 2009, and ending January 1, 2014.

147 (4) The Lieutenant Governor of Florida shall serve as chair
148 of the program and appoint a committee for the purpose of
149 establishing or adopting an application form, criteria for
150 awarding the prize, and any other rules or guidelines related to
151 the entry, judging, administration, or results of the program.
152 The application and all other information shall be posted on the
153 website of the Office of Tourism, Trade, and Economic Development
154 on or before January 1, 2009.

155 (5) The structure and operation of the program shall, to
156 the extent practicable, mirror the Ansari X Prize program awarded
157 by the X PRIZE FOUNDATION on November 6, 2004.

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

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

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