

1                   A bill to be entitled  
 2           An act relating to investment of public funds; amending  
 3           ss. 17.57 and 218.415, F.S.; expanding authorized deposits  
 4           of certain public funds in financial instruments insured  
 5           by the Federal Deposit Insurance Corporation; providing an  
 6           effective date.

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

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 10           Section 1. Subsection (7) of section 17.57, Florida  
 11           Statutes, is amended to read:

12           17.57 Deposits and investments of state money.--

13           (7) In addition to the deposits authorized under this  
 14           section and notwithstanding any other provisions of law, funds  
 15           that are not needed to meet the disbursement needs of the state  
 16           may be deposited by the Chief Financial Officer in accordance  
 17           with the following conditions:

18           (a) The funds are initially deposited in a qualified  
 19           public depository, as defined in s. 280.02, selected by the  
 20           Chief Financial Officer.

21           (b) The selected depository arranges for the deposit of  
 22           the funds in financial instruments insured by the Federal  
 23           Deposit Insurance Corporation ~~certificates of deposit~~ in one or  
 24           more federally insured banks or savings and loan associations,  
 25           wherever located, for the account of the state.

26           (c) The full amount of principal and accrued interest of  
 27           each such financial instrument ~~certificate of deposit~~ is insured  
 28           by the Federal Deposit Insurance Corporation.

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29 (d) The selected depository acts as custodian for the  
30 state with respect to such financial instruments ~~certificates of~~  
31 ~~deposit~~ issued for its account.

32 (e) At the same time the state's funds are deposited and  
33 the financial instruments ~~certificates of deposit~~ are issued,  
34 the selected depository receives an amount of deposits from  
35 customers of other federally insured financial institutions,  
36 wherever located, equal to or greater than the amount of the  
37 funds initially invested by the Chief Financial Officer through  
38 the selected depository.

39 Section 2. Subsection (23) of section 218.415, Florida  
40 Statutes, is amended to read:

41 218.415 Local government investment policies.--Investment  
42 activity by a unit of local government must be consistent with a  
43 written investment plan adopted by the governing body, or in the  
44 absence of the existence of a governing body, the respective  
45 principal officer of the unit of local government and maintained  
46 by the unit of local government or, in the alternative, such  
47 activity must be conducted in accordance with subsection (17).  
48 Any such unit of local government shall have an investment  
49 policy for any public funds in excess of the amounts needed to  
50 meet current expenses as provided in subsections (1)-(16), or  
51 shall meet the alternative investment guidelines contained in  
52 subsection (17). Such policies shall be structured to place the  
53 highest priority on the safety of principal and liquidity of  
54 funds. The optimization of investment returns shall be secondary  
55 to the requirements for safety and liquidity. Each unit of local

56 government shall adopt policies that are commensurate with the  
 57 nature and size of the public funds within its custody.

58 (23) AUTHORIZED DEPOSITS.--In addition to the investments  
 59 authorized for local governments in subsections (16) and (17)  
 60 and notwithstanding any other provisions of law, a unit of local  
 61 government may deposit any portion of surplus public funds in  
 62 its control or possession in accordance with the following  
 63 conditions:

64 (a) The funds are initially deposited in a qualified  
 65 public depository, as defined in s. 280.02, selected by the unit  
 66 of local government.

67 (b) The selected depository arranges for the deposit of  
 68 the funds in financial instruments insured by the Federal  
 69 Deposit Insurance Corporation ~~certificates of deposit~~ in one or  
 70 more federally insured banks or savings and loan associations,  
 71 wherever located, for the account of the unit of local  
 72 government.

73 (c) The full amount of principal and accrued interest of  
 74 each such financial instrument ~~certificate of deposit~~ is insured  
 75 by the Federal Deposit Insurance Corporation.

76 (d) The selected depository acts as custodian for the unit  
 77 of local government with respect to such financial instruments  
 78 ~~certificates of deposit~~ issued for its account.

79 (e) At the same time the unit of local government's funds  
 80 are deposited and the financial instruments ~~certificates of~~  
 81 ~~deposit~~ are issued, the selected depository receives an amount  
 82 of deposits from customers of other federally insured financial  
 83 institutions, wherever located, equal to or greater than the

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84 amount of the funds initially invested by the unit of local  
85 government through the selected depository.

86 Section 3. This act shall take effect July 1, 2009.