

1 A bill to be entitled
 2 An act relating to investment of public funds; amending s.
 3 17.57, F.S.; expanding authorized deposits of certain
 4 public funds in financial deposit instruments insured by
 5 the Federal Deposit Insurance Corporation; amending s.
 6 218.415, F.S.; expanding authorized deposits of certain
 7 public funds in financial deposit instruments insured by
 8 the Federal Deposit Insurance Corporation; deleting a
 9 condition limiting the authority of a local government to
 10 deposit a portion of certain surplus public funds;
 11 providing an effective date.

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

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

17 17.57 Deposits and investments of state money.--

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

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

26 (b) The selected depository arranges for the deposit of
 27 the funds in financial deposit instruments insured by the
 28 Federal Deposit Insurance Corporation ~~certificates of deposit~~ in

29 one or more federally insured banks or savings and loan
 30 associations, wherever located, for the account of the state.

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

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

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

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

46 218.415 Local government investment policies.--Investment
 47 activity by a unit of local government must be consistent with a
 48 written investment plan adopted by the governing body, or in the
 49 absence of the existence of a governing body, the respective
 50 principal officer of the unit of local government and maintained
 51 by the unit of local government or, in the alternative, such
 52 activity must be conducted in accordance with subsection (17).
 53 Any such unit of local government shall have an investment
 54 policy for any public funds in excess of the amounts needed to
 55 meet current expenses as provided in subsections (1)-(16), or
 56 shall meet the alternative investment guidelines contained in

57 subsection (17). Such policies shall be structured to place the
58 highest priority on the safety of principal and liquidity of
59 funds. The optimization of investment returns shall be secondary
60 to the requirements for safety and liquidity. Each unit of local
61 government shall adopt policies that are commensurate with the
62 nature and size of the public funds within its custody.

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

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

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

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

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

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84 ~~(e) At the same time the unit of local government's funds~~
85 ~~are deposited and the certificates of deposit are issued, the~~
86 ~~selected depository receives an amount of deposits from~~
87 ~~customers of other federally insured financial institutions,~~
88 ~~wherever located, equal to or greater than the amount of the~~
89 ~~funds initially invested by the unit of local government through~~
90 ~~the selected depository.~~

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