



573912

LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
04/23/2009	.	
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The Policy and Steering Committee on Ways and Means (Baker) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Paragraph (v) of subsection (2) and subsection (7) of section 17.57, Florida Statutes, are amended to read:

17.57 Deposits and investments of state money.—

(2) The Chief Financial Officer shall make funds available to meet the disbursement needs of the state. Funds which are not needed for this purpose shall be placed in qualified public depositories that will pay rates established by the Chief



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12 Financial Officer at levels not less than the prevailing rate
13 for United States Treasury securities with a corresponding
14 maturity. In the event money is available for interest-bearing
15 time deposits or savings accounts as provided herein and
16 qualified public depositories are unwilling to accept such money
17 and pay thereon the rates established above, then such money
18 which qualified public depositories are unwilling to accept
19 shall be invested in:

20 (v) Securities not otherwise described in this subsection.
21 However, not more than 7 ~~3~~ percent of the funds under the
22 control of the Chief Financial Officer shall be invested in
23 securities described in this paragraph.

24
25 These investments may be in varying maturities and may be in
26 book-entry form. Investments made pursuant to this subsection
27 may be under repurchase agreement or reverse repurchase
28 agreement. The Chief Financial Officer may hire registered
29 investment advisers and other consultants to assist in
30 investment management and to pay fees directly from investment
31 earnings. Investment securities, proprietary investment services
32 related to contracts, performance evaluation services,
33 investment-related equipment or software used directly to assist
34 investment trading or investment accounting operations including
35 bond calculators, telerates, Bloombergs, special program
36 calculators, intercom systems, and software used in accounting,
37 communications, and trading, and advisory and consulting
38 contracts made under this section are exempt from the provisions
39 of chapter 287.

40 (7) In addition to the deposits authorized under this



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41 section and notwithstanding any other provisions of law, funds
42 that are not needed to meet the disbursement needs of the state
43 may be deposited by the Chief Financial Officer in accordance
44 with the following conditions:

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

48 (b) The selected depository arranges for depositing the
49 deposit of the funds in financial deposit instruments insured by
50 the Federal Deposit Insurance Corporation certificates of
51 deposit in one or more federally insured banks or savings and
52 loan associations, wherever located, for the account of the
53 state.

54 (c) The full amount of the principal and accrued interest
55 of each financial deposit instrument such certificate of deposit
56 is insured by the Federal Deposit Insurance Corporation.

57 (d) The selected depository acts as custodian for the state
58 with respect to each financial deposit instrument such
59 certificates of deposit issued for its account.

60 ~~(e) At the same time the state's funds are deposited and~~
61 ~~the certificates of deposit are issued, the selected depository~~
62 ~~receives an amount of deposits from customers of other federally~~
63 ~~insured financial institutions, wherever located, equal to or~~
64 ~~greater than the amount of the funds initially invested by the~~
65 ~~Chief Financial Officer through the selected depository.~~

66 Section 2. Effective July 1, 2010, the amendment of s.
67 17.57(2)(v), Florida Statutes, made by this act shall expire,
68 and the text of that paragraph shall revert to that in existence
69 on June 30, 2009, except that any amendments to such text



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70 enacted other than by this act shall be preserved and continue
71 to operate to the extent that such amendments are not dependent
72 upon the portions of such text which expire pursuant to this
73 section.

74 Section 3. Section 17.575, Florida Statutes, is created to
75 read:

76 17.575 Administration of funds; Treasury Investment
77 Committee.—

78 (1) There is created a Treasury Investment Committee within
79 the Division of Treasury consisting of at least five members who
80 must possess special knowledge, experience, and familiarity in
81 finance, investments, or accounting. The members of the
82 committee shall be appointed by and serve at the pleasure of the
83 Chief Financial Officer. The committee shall annually elect a
84 chair and vice chair from among its membership.

85 (2) The committee shall administer the Treasury Investment
86 Program consistent with policies approved by the Chief Financial
87 Officer for deposits and investments of public funds. The
88 committee shall also make recommendations regarding investment
89 policy to the Chief Financial Officer.

90 (3) The committee shall submit an annual report outlining
91 its activities and recommendations to the Chief Financial
92 Officer and the Joint Legislative Auditing Committee. The report
93 shall be submitted on August 15, 2009, and annually thereafter.

94 Section 4. Paragraphs (b), (c), and (d) of subsection (23)
95 of section 218.415, Florida Statutes, are amended to read:

96 218.415 Local government investment policies.—Investment
97 activity by a unit of local government must be consistent with a
98 written investment plan adopted by the governing body, or in the



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99 absence of the existence of a governing body, the respective
100 principal officer of the unit of local government and maintained
101 by the unit of local government or, in the alternative, such
102 activity must be conducted in accordance with subsection (17).
103 Any such unit of local government shall have an investment
104 policy for any public funds in excess of the amounts needed to
105 meet current expenses as provided in subsections (1)-(16), or
106 shall meet the alternative investment guidelines contained in
107 subsection (17). Such policies shall be structured to place the
108 highest priority on the safety of principal and liquidity of
109 funds. The optimization of investment returns shall be secondary
110 to the requirements for safety and liquidity. Each unit of local
111 government shall adopt policies that are commensurate with the
112 nature and size of the public funds within its custody.

113 (23) AUTHORIZED DEPOSITS.—In addition to the investments
114 authorized for local governments in subsections (16) and (17)
115 and notwithstanding any other provisions of law, a unit of local
116 government may deposit any portion of surplus public funds in
117 its control or possession in accordance with the following
118 conditions:

119 (b) The selected depository arranges for depositing the
120 ~~deposit of~~ the funds in financial deposit instruments insured by
121 the Federal Deposit Insurance Corporation certificates of
122 ~~deposit~~ in one or more federally insured banks or savings and
123 loan associations, wherever located, for the account of the unit
124 of local government.

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



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128 (d) The selected depository acts as custodian for the unit
129 of local government with respect to each financial deposit
130 instrument ~~such certificates of deposit~~ issued for its account.

131 ~~(e) At the same time the unit of local government's funds~~
132 ~~are deposited and the certificates of deposit are issued, the~~
133 ~~selected depository receives an amount of deposits from~~
134 ~~customers of other federally insured financial institutions,~~
135 ~~wherever located, equal to or greater than the amount of the~~
136 ~~funds initially invested by the unit of local government through~~
137 ~~the selected depository.~~

138 Section 5. This act shall take effect July 1, 2009.

139
140 ===== T I T L E A M E N D M E N T =====

141 And the title is amended as follows:

142 Delete everything before the enacting clause
143 and insert:

144
145 A bill to be entitled
146 An act relating to surplus public funds; amending s.
147 17.57, F.S.; increasing the maximum percentage of
148 funds under the control of the Chief Financial Officer
149 to be invested in certain securities; deleting a
150 provision relating to concurrent deposits by a unit of
151 local government and customers of other federally
152 insured financial institutions; providing for the
153 expiration of such increase and the reversion of
154 statutory text; requiring that the Chief Financial
155 Officer and local governments deposit surplus funds in
156 financial deposit instruments insured by the Federal



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157 Deposit Insurance Corporation rather than in
158 certificates of deposit; creating s. 17.575, F.S.;
159 creating the Treasury Investment Committee within the
160 Division of Treasury; providing for membership on the
161 committee; requiring that the committee annually elect
162 a chair and vice chair from within its membership;
163 providing duties of the committee; requiring that the
164 committee submit an annual report on a specified date
165 and annually thereafter outlining its activities and
166 recommendations to the Chief Financial Officer and the
167 Joint Legislative Auditing Committee; amending s.
168 218.415, F.S.; requiring that the Chief Financial
169 Officer and local governments deposit surplus funds in
170 financial deposit instruments insured by the Federal
171 Deposit Insurance Corporation rather than in
172 certificates of deposit; deleting a provision relating
173 to concurrent deposits by a unit of local government
174 and customers of other federally insured financial
175 institutions; providing an effective date.