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LEGISLATIVE ACTION

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

1           **Senate Substitute for Amendment (573912) (with title**  
2 **amendment)**

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4  
5           Delete everything after the enacting clause  
6 and insert:

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

9           17.57 Deposits and investments of state money.—

10           (2) The Chief Financial Officer shall make funds available  
11 to meet the disbursement needs of the state. Funds which are not



967150

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

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

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



967150

41 of chapter 287.

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

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

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

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

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

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

68 Section 2. Effective July 1, 2010, the amendment of s.  
69 17.57(2)(v), Florida Statutes, made by this act shall expire,



967150

70 and the text of that paragraph shall revert to that in existence  
71 on June 30, 2009, except that any amendments to such text  
72 enacted other than by this act shall be preserved and continue  
73 to operate to the extent that such amendments are not dependent  
74 upon the portions of such text which expire pursuant to this  
75 section.

76 Section 3. Section 17.575, Florida Statutes, is created to  
77 read:

78 17.575 Administration of funds; Treasury Investment  
79 Committee.—

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

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

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

96 Section 4. Paragraphs (b), (c), (d), and (e) of subsection  
97 (23) of section 218.415, Florida Statutes, are amended to read:  
98 218.415 Local government investment policies.—Investment



967150

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

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

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

127 (c) The full amount of the principal and accrued interest



967150

128 of each financial deposit instrument ~~such certificate of deposit~~  
129 is insured by the Federal Deposit Insurance Corporation.

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

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

140 Section 5. Section 532.01, Florida Statutes, is amended to  
141 read:

142 532.01 Payment by check, draft, or other order for  
143 payment.—Any order, check, draft, note, memorandum, payroll  
144 debit card, or other acknowledgment of indebtedness issued in  
145 payment of wages or salary due or to become due must be  
146 negotiable and payable in cash, on demand, without discount, at  
147 some established place of business in the state, the name and  
148 address of which must appear on the instrument or in the payroll  
149 debit card issuing materials, and at the time of its issuance,  
150 and for a reasonable time thereafter, which must be at least 30  
151 days, the maker or drawer must have sufficient funds or credit,  
152 arrangement, or understanding with the drawee for its payment.

153 Section 6. This act shall take effect July 1, 2009.

154  
155 ===== T I T L E A M E N D M E N T =====

156 And the title is amended as follows:



967150

157 Delete everything before the enacting clause  
158 and insert:

159 A bill to be entitled  
160 An act relating to financial instruments; amending s.  
161 17.57, F.S.; increasing the maximum percentage of  
162 funds under the control of the Chief Financial Officer  
163 to be invested in certain securities; deleting a  
164 provision relating to concurrent deposits by a unit of  
165 local government and customers of other federally  
166 insured financial institutions; requiring that the  
167 Chief Financial Officer and local governments deposit  
168 surplus funds in financial deposit instruments insured  
169 by the Federal Deposit Insurance Corporation rather  
170 than in certificates of deposit; providing for the  
171 expiration of such increase and the reversion of  
172 statutory text; creating s. 17.575, F.S.; creating the  
173 Treasury Investment Committee within the Division of  
174 Treasury; providing for membership on the committee;  
175 requiring that the committee annually elect a chair  
176 and vice chair from within its membership; providing  
177 duties of the committee; requiring that the committee  
178 submit an annual report on a specified date and  
179 annually thereafter outlining its activities and  
180 recommendations to the Chief Financial Officer and the  
181 Joint Legislative Auditing Committee; amending s.  
182 218.415, F.S.; requiring that the Chief Financial  
183 Officer and local governments deposit surplus funds in  
184 financial deposit instruments insured by the Federal  
185 Deposit Insurance Corporation rather than in



967150

186 certificates of deposit; deleting a provision relating  
187 to concurrent deposits by a unit of local government  
188 and customers of other federally insured financial  
189 institutions; amending s. 532.01, F.S.; including  
190 payroll debit cards under requirements applicable to  
191 payment instruments; providing an effective date.