

By Senator Ring

32-00784-12

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1 A bill to be entitled
 2 An act relating to state investments; amending s.
 3 215.47, F.S.; increasing the amount of money that may
 4 be invested in alternative investments by the State
 5 Board of Administration; amending s. 215.5601, F.S.;
 6 reducing the amount of the Lawton Chiles Endowment
 7 Fund which is available for biomedical research;
 8 specifying the real value of the net assets of the
 9 fund as of a certain date; providing an effective
 10 date.

11
 12 Be It Enacted by the Legislature of the State of Florida:

13
 14 Section 1. Subsection (15) of section 215.47, Florida
 15 Statutes, is amended to read:

16 215.47 Investments; authorized securities; loan of
 17 securities.—Subject to the limitations and conditions of the
 18 State Constitution or of the trust agreement relating to a trust
 19 fund, moneys available for investments under ss. 215.44-215.53
 20 may be invested as follows:

21 (15) With no more, in the aggregate, than 20 ~~10~~ percent of
 22 any fund in alternative investments, ~~as defined in s.~~
 23 ~~215.4401(3)(a)1.,~~ through participation in an alternative
 24 investment vehicle as those terms are ~~the vehicles~~ defined in s.
 25 215.4401(3)(a)2., or in securities or investments that are not
 26 publicly traded and ~~are~~ not otherwise authorized by this
 27 section.

28 Section 2. Paragraph (d) of subsection (3) and paragraph
 29 (b) of subsection (4) of section 215.5601, Florida Statutes, are

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30 amended to read:

31 215.5601 Lawton Chiles Endowment Fund.—

32 (3) LAWTON CHILES ENDOWMENT FUND; CREATION; PRINCIPAL.—

33 (d) For the 2012-2013 fiscal year ~~2001-2002~~, \$50 ~~\$150~~
34 million of the existing principal in the endowment shall be
35 reserved and accounted for within the endowment, the income from
36 which shall be used solely for ~~the~~ funding ~~for~~ biomedical
37 research activities as provided in s. 215.5602. The income from
38 the remaining principal shall be used solely as the source of
39 funding for health and human services programs for children and
40 elders as provided in subsection (5). The separate account for
41 biomedical research shall be dissolved and the entire principal
42 in the endowment ~~shall be~~ used exclusively for health and human
43 services programs when cures have been found for tobacco-related
44 cancer, heart, and lung disease.

45 (4) ADMINISTRATION.—

46 (b) The endowment shall be managed as an annuity. The
47 investment objective is the long-term preservation of the real
48 value of the net assets of the fund on June 30, 2009, which was
49 \$434,354,314, contributed principal and a specified regular
50 annual cash outflow for appropriation, as nonrecurring revenue.
51 From the annual cash outflow, a pro rata share shall be used
52 solely for biomedical research activities as provided in
53 paragraph (3)(d), until such time as cures are found for
54 tobacco-related cancer and heart and lung disease. ~~Five percent~~
55 ~~of the annual cash outflow dedicated to the biomedical research~~
56 ~~portion of the endowment shall be reinvested and applied to that~~
57 ~~portion of the endowment's principal, with the remainder to be~~
58 ~~spent on biomedical research activities consistent with this~~

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59 ~~section.~~ The schedule of annual cash outflow must be included
60 within the investment plan adopted under paragraph (a).
61 Withdrawals other than specified regular cash outflow are
62 considered reductions in contributed principal for the purposes
63 of this subsection.

64 Section 3. This act shall take effect July 1, 2012.