

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Fiscal Policy

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BILL: SB 522

INTRODUCER: Senator Brandes

SUBJECT: Division of Bond Finance

DATE: March 18, 2015

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>McVaney</u>	<u>McVaney</u>	<u>GO</u>	<b>Favorable</b>
2.	<u>Matiyow</u>	<u>Knudson</u>	<u>BI</u>	<b>Favorable</b>
3.	<u>Hrdlicka</u>	<u>Hrdlicka</u>	<u>FP</u>	<b>Favorable</b>

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**I. Summary:**

SB 522 repeals the requirement that the Division of Bond Finance housed within the State Board of Administration publish a subscription based newsletter to various stakeholders regarding local and state bonds. Due to the lack of subscribers, the last issue of the newsletter was published by the Division in the fall of 2000.

**II. Present Situation:**

The Division of Bond Finance (Division) was created in the State Bond Act<sup>1</sup> (Act) in 1969 and is administratively housed within the State Board of Administration.<sup>2</sup> The Governor serves as chair of the governing board of the Division, the Attorney General is the secretary, and the Chief Financial Officer acts as treasurer.<sup>3</sup>

The Division is responsible for issuing any state bonds authorized by law or the Florida Constitution, as well as bonds on behalf of any state agency authorized by law.<sup>4</sup> As it is used in the Act, a state agency is defined as “any board, commission, authority, or other state agency heretofore or hereafter created by the constitution or statutes of the state.”<sup>5</sup> In carrying out its authority, the Division is authorized to exercise all of the powers relating to bonds to the same extent as state agencies.<sup>6</sup>

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<sup>1</sup> The State Bond Act encompasses ss. 215.57-215.83, F.S.

<sup>2</sup> Section 215.62(1), F.S.

<sup>3</sup> *Id.*

<sup>4</sup> Section 215.64(2), F.S.

<sup>5</sup> Section 215.58(6), F.S.

<sup>6</sup> Section 215.64(3), F.S.

As part of its duties, the Division serves as a clearinghouse of information relating to both general obligation bonds and revenue bonds of the state and local governments.<sup>7</sup> The Division is required to collect, maintain, and make available information concerning such bonds.<sup>8</sup> The Division also is required to issue a regular newsletter containing information of interest relating to these bonds to issuers, underwriters, attorneys, investors, and other parties within the bond community, as well as to the general public.<sup>9</sup> The Division is authorized to charge fees for subscriptions to the newsletter.<sup>10</sup>

The Division's newsletter does not have any subscribers. As a result, the Division has not published an issue of the newsletter since the fall of 2000. The Division has never charged a fee for the newsletter.

### **III. Effect of Proposed Changes:**

The bill repeals the requirement for the Division to issue a regular newsletter containing information of interest relating to local and state bonds to issuers, underwriters, attorneys, investors, other parties within the bond community, and the general public.

This bill takes effect July 1, 2015.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

The bill does not require counties or municipalities to take an action requiring a significant expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, or reduce the percentage of state tax shared with counties or municipalities.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

### **V. Fiscal Impact Statement:**

#### **A. Tax/Fee Issues:**

None.

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<sup>7</sup> Section 218.37, F.S.

<sup>8</sup> Section 218.37(1)(a)-(c), F.S.

<sup>9</sup> Section 218.37(1)(f), F.S.

<sup>10</sup> *Id.*

B. Private Sector Impact:

None.

C. Government Sector Impact:

None. The Division has not published an issue of the newsletter since the fall of 2000 because there are no subscribers.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 218.37 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.