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CS/HB 1071

2016 Legislature

1
2 An act relating to the South Broward Hospital
3 District, Broward County; amending chapter 2004-397,
4 Laws of Florida; revising the authority of the
5 district's board of commissioners to invest funds;
6 authorizing investments listed in an investment policy
7 adopted by the board pursuant to requirements
8 applicable to various units of local government;
9 deleting a list of authorized investments; revising
10 construction and severability; providing an effective
11 date.

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

14
15 Section 1. Section 37 of section 3 of chapter 2004-397,
16 Laws of Florida, is amended to read:

17 Section 37. In addition to any investment authorized by
18 general law, including s. 218.415, Florida Statutes, and to the
19 extent created by the State Constitution, the Board of
20 Commissioners of the South Broward Hospital District shall be
21 and is hereby authorized and empowered to invest any funds in
22 its control or possession in accordance with an investment
23 policy approved by the board which mandates prudent investment
24 practices which shall include, among other items, the investment
25 objectives and permitted securities of the policy. Such
26 investment policy shall be designed to maximize the financial

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27 | return to the fund consistent with the risks incumbent in each
28 | investment and shall be designed to preserve the appropriate
29 | diversification of the portfolio. ~~Accordingly, the following~~
30 | ~~instruments are authorized for investment:~~

31 | ~~(1) In the trust fund known as Local Government Surplus~~
32 | ~~Funds Trust Fund as created and established by section 218.405,~~
33 | ~~Florida Statutes.~~

34 | ~~(2) Bankers' acceptances which are drawn upon and accepted~~
35 | ~~by a commercial bank which is a member bank of the Federal~~
36 | ~~Reserve System maintaining capital accounts in excess of 7.5~~
37 | ~~percent of total assets, and which member bank of its holding~~
38 | ~~company carries a credit rating in one of the two highest~~
39 | ~~alphabetical categories from at least two nationally recognized~~
40 | ~~debt rating agencies.~~

41 | ~~(3) Commercial paper of prime quality rated by at least~~
42 | ~~two nationally recognized debt rating agencies in the highest~~
43 | ~~letter and numerical rating of each agency. If not so rated,~~
44 | ~~such prime quality commercial paper may be purchased if secured~~
45 | ~~by a letter of credit provided by a commercial bank, which bank~~
46 | ~~or its holding company carries a credit rating in one of the two~~
47 | ~~highest alphabetical categories from at least two nationally~~
48 | ~~recognized debt rating agencies.~~

49 | ~~(4) Interest bearing bonds, debentures, and other such~~
50 | ~~evidence of indebtedness with a fixed maturity of any domestic~~
51 | ~~corporation within the United States which is listed on any one~~
52 | ~~or more of the recognized national stock exchanges in the United~~

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53 ~~States which is listed on any one or more of the recognized~~
54 ~~national stock exchanges in the United States and conforms with~~
55 ~~the periodic reporting requirements under the Securities~~
56 ~~Exchange Act of 1934. Such obligations shall either carry~~
57 ~~ratings in one of the two highest classifications of at least~~
58 ~~two nationally recognized debt rating agencies or be secured by~~
59 ~~a letter of credit provided by a commercial bank, which bank or~~
60 ~~its holding company carries a credit rating in one of the two~~
61 ~~highest alphabetical categories from at least two nationally~~
62 ~~recognized debt rating agencies.~~

63 ~~(5) Negotiable direct obligations of, or obligations the~~
64 ~~principal and interest of which are unconditionally guaranteed~~
65 ~~by, the United States Government and obligations of the Federal~~
66 ~~Farm Credit Banks, Federal Home Loan Mortgage Corporations, or~~
67 ~~Federal Home Loan Bank or its district banks, including Federal~~
68 ~~Home Loan Mortgage Corporation participation certificates or~~
69 ~~obligations guaranteed by the Government National Mortgage~~
70 ~~Association, which are purchased and sold under repurchase~~
71 ~~agreements and reverse repurchase agreements. Repurchase~~
72 ~~agreements and reverse repurchase agreements may be entered into~~
73 ~~only with a member bank of the Federal Reserve System or primary~~
74 ~~dealer in United States Government Securities. Further, any such~~
75 ~~repurchase agreements and reverse repurchase agreements shall be~~
76 ~~fully collateralized by the type of securities which are named~~
77 ~~in this subsection. Securities purchased or repurchased by the~~

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78 ~~South Broward Hospital District shall be delivered to the South~~
79 ~~Broward Hospital District or its agent versus payment.~~

80 ~~(6) Purchase of options so as to engage in bona fide~~
81 ~~hedging activities for the purpose of protecting the asset value~~
82 ~~of the underlying portfolio. However, the underlying security~~
83 ~~(that is, the security that must be delivered if a put option or~~
84 ~~call option contract is exercised) shall be negotiable direct~~
85 ~~obligations of, or obligations the principal and interest of~~
86 ~~which are unconditionally guaranteed by, the United States~~
87 ~~Government and obligations of the Federal Farm Credit Banks,~~
88 ~~Federal Home Loan Mortgage Corporations, or Federal Loan Bank or~~
89 ~~its district banks, including Federal Home Loan Mortgage~~
90 ~~Corporation participation certificates, or obligations~~
91 ~~guaranteed by the Government National Mortgage Association.~~
92 ~~Further, the options of said underlying securities shall be~~
93 ~~traded on a securities exchange or board of trade regulated by~~
94 ~~the Securities Exchange Commission or the Commodity Futures~~
95 ~~Trading Commission.~~

96 Section 2. Section 4 of chapter 2004-397, Laws of Florida,
97 is amended to read:

98 Section 4. This act shall be liberally construed to
99 effectuate the purposes set forth herein. ~~It is intended that~~
100 ~~the provisions of this action shall be liberally construed for~~
101 ~~accomplishment of the work authorized and provided for or~~
102 ~~intended to be provided for by this act, and where strict~~
103 ~~construction would permit or assist in the accomplishment of any~~

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104 ~~apart of the work authorized by this act, the liberal~~
105 ~~construction shall be chosen.~~

106 Section 3. Section 5 of chapter 2004-397, Laws of Florida,
107 is amended to read:

108 Section 5. If any provision of this act or its application
109 to any person or circumstance is held invalid, the invalidity
110 does not affect other provisions or applications of the act that
111 can be given effect without the invalid provision or
112 application, and to this end the provisions of this act are
113 severable. ~~section, subsection, sentence, clause, or phrase of~~
114 ~~this act is held to be unconstitutional, such holding shall not~~
115 ~~affect the validity of the remaining portions of the act, the~~
116 ~~Legislature hereby declaring that it would have passed this act~~
117 ~~and each section, subsection, sentence, clause, and phrase~~
118 ~~thereof, irrespective of any other separate section, subsection,~~
119 ~~sentence, clause, or phrase thereof, and irrespective of the~~
120 ~~fact that any one or more other sections, subsections,~~
121 ~~sentences, clauses, or phrases thereof may be declared~~
122 ~~unconstitutional.~~

123 Section 4. This act shall take effect upon becoming a law.