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1
2 An act relating to government and corporate activism;
3 amending s. 17.57, F.S.; defining the term "pecuniary
4 factor"; requiring that the Chief Financial Officer,
5 or a party authorized to invest on his or her behalf,
6 make investment decisions based solely on pecuniary
7 factors; amending s. 20.058, F.S.; requiring a
8 specified attestation, under penalty of perjury, from
9 certain organizations; defining the term "pecuniary
10 factor"; requiring citizen support organizations and
11 direct-support organizations to make investment
12 decisions based solely on pecuniary factors; amending
13 s. 112.656, F.S.; requiring that investment decisions
14 comply with a specified requirement related to the
15 consideration of pecuniary factors; amending s.
16 112.661, F.S.; conforming a provision to changes made
17 by the act; creating s. 112.662, F.S.; defining the
18 term "pecuniary factor"; providing that only pecuniary
19 factors may be considered in investment decisions for
20 retirement systems or plans; providing that the
21 interests of participants and beneficiaries of such
22 systems or plans may not be subordinated to other
23 objectives; requiring shareholder rights to be
24 exercised considering only pecuniary factors;
25 requiring specified reports; providing requirements

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26 | for such reports; requiring the Department of
27 | Management Services to report certain noncompliance to
28 | the Attorney General; authorizing certain proceedings
29 | to be brought by the Attorney General who, if
30 | successful in those proceedings, is entitled to
31 | reasonable attorney fees and costs; requiring the
32 | department to adopt rules; providing applicability;
33 | amending ss. 175.071 and 185.06, F.S.; specifying that
34 | certain public boards of trustees are subject to the
35 | requirement that only pecuniary factors be considered
36 | in investment decisions; amending s. 215.47, F.S.;
37 | defining the term "pecuniary factor"; requiring the
38 | State Board of Administration to make investment
39 | decisions based solely on pecuniary factors; providing
40 | an exception to current investment and fiduciary
41 | standards in the event of a conflict; amending s.
42 | 215.475, F.S.; requiring the Florida Retirement System
43 | Defined Benefit Plan Investment Policy Statement to
44 | comply with the requirement that only pecuniary
45 | factors be considered in investment decisions;
46 | amending s. 215.4755, F.S.; requiring certain
47 | investment advisors or managers to certify in writing
48 | that investment decisions are based solely on
49 | pecuniary factors; providing applicability; providing
50 | that failure to file a required certification is

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51 grounds for termination of certain contracts;
 52 providing that a submission of a materially false
 53 certification is deemed a willful refusal to comply
 54 with a certain fiduciary standard; requiring that
 55 certain noncompliance be reported to the Attorney
 56 General, who is authorized to bring certain civil or
 57 administrative actions; providing that if the Attorney
 58 General is successful in those proceedings, he or she
 59 is entitled to reasonable attorney fees and costs;
 60 creating s. 215.681, F.S.; defining terms; prohibiting
 61 bond issuers from issuing environmental, social, and
 62 governance bonds and taking other related actions;
 63 authorizing certain financial institutions to purchase
 64 and underwrite specified bonds; providing
 65 applicability; creating s. 215.855, F.S.; defining
 66 terms; requiring that contracts between governmental
 67 entities and investment managers contain certain
 68 provisions and a specified disclaimer; providing
 69 applicability; amending s. 218.415, F.S.; defining the
 70 term "pecuniary factor"; requiring units of local
 71 government to make investment decisions based solely
 72 on pecuniary factors; amending s. 280.02, F.S.;
 73 revising the definition of the term "qualified public
 74 depository"; creating s. 280.025, F.S.; requiring a
 75 specified attestation, under penalty of perjury, from

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76 | certain entities; amending s. 280.05, F.S.; requiring
 77 | the Chief Financial Officer to verify such
 78 | attestations; requiring the Chief Financial Officer to
 79 | report materially false attestations to the Attorney
 80 | General, who is authorized to bring certain civil and
 81 | administrative actions; providing that if the Attorney
 82 | General is successful in those proceedings, he or she
 83 | is entitled to reasonable attorney fees and costs;
 84 | providing construction; authorizing the Chief
 85 | Financial Officer to suspend or disqualify a qualified
 86 | public depository that no longer meets the definition
 87 | of that term; amending s. 280.051, F.S.; adding
 88 | grounds for suspension or disqualification of a
 89 | qualified public depository; amending s. 280.054,
 90 | F.S.; providing that failure to timely file a required
 91 | attestation is deemed a knowing and willful violation;
 92 | amending s. 280.055, F.S.; adding a circumstance under
 93 | which the Chief Financial Officer may issue certain
 94 | orders against a qualified public depository; creating
 95 | s. 287.05701, F.S.; defining the term "awarding body";
 96 | prohibiting an awarding body from requesting certain
 97 | documentation or giving preference to vendors based on
 98 | their social, political, or ideological interests;
 99 | requiring that solicitations for the procurement of
 100 | commodities or contractual services by an awarding

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101 body contain a specified notification, beginning on a
 102 specified date; creating s. 516.037, F.S.; requiring
 103 licensees to make certain determinations based on an
 104 analysis of certain risk factors; prohibiting such
 105 licensees from engaging in unsafe and unsound
 106 practices; providing construction; providing that
 107 certain actions on the part of licensees are an unsafe
 108 and unsound practice; requiring a specified
 109 attestation, under penalty of perjury, from applicants
 110 and licensees, beginning on a specified date;
 111 providing that a failure to comply with specified
 112 requirements or engaging in unsafe and unsound
 113 practices constitutes a violation of the Florida
 114 Deceptive and Unfair Trade Practices Act, subject to
 115 specified sanctions and penalties; providing that only
 116 the enforcing authority can enforce such violations;
 117 providing that an enforcing authority that brings a
 118 successful action for violations is entitled to
 119 reasonable attorney fees and costs; creating s.
 120 560.1115, F.S.; requiring licensees to make
 121 determinations about the provision or denial of
 122 services based on an analysis of certain risk factors;
 123 prohibiting the licensees from engaging in unsafe and
 124 unsound practices; providing construction; providing
 125 that certain actions are an unsafe and unsound

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126 practice; requiring a specified attestation, under
127 penalty of perjury, from applicants and licensees,
128 beginning on a specified date; providing that a
129 failure to comply with specified requirements or
130 engaging in unsafe and unsound practices constitutes a
131 violation of the Florida Deceptive and Unfair Trade
132 Practices Act, subject to specified sanctions and
133 penalties; providing that only the enforcing authority
134 can enforce such violations; providing that an
135 enforcing authority that brings a successful action
136 for violations is entitled to reasonable attorney fees
137 and costs; amending s. 560.114, F.S.; revising the
138 actions that constitute grounds for specified
139 disciplinary action of a money services business, an
140 authorized vendor, or an affiliated party; amending s.
141 655.005, F.S.; revising a definition; creating s.
142 655.0323, F.S.; requiring financial institutions to
143 make determinations about the provision or denial of
144 services based on an analysis of specified risk
145 factors; prohibiting financial institutions from
146 engaging in unsafe and unsound practices; providing
147 construction; providing that certain actions are an
148 unsafe and unsound practice; requiring a specified
149 attestation, under penalty of perjury, from financial
150 institutions annually, beginning on a specified date;

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151 providing that a failure to comply with specified
 152 requirements or engaging in unsafe and unsound
 153 practices constitutes a violation of the Florida
 154 Deceptive and Unfair Trade Practices Act, subject to
 155 specified sanctions and penalties; providing that only
 156 the enforcing authority can enforce such violations;
 157 providing that an enforcing authority that brings a
 158 successful action for violations is entitled to
 159 reasonable attorney fees and costs; prohibiting
 160 certain entities from exercising specified authority;
 161 amending s. 1010.04, F.S.; prohibiting school
 162 districts, Florida College System Institutions, and
 163 state universities from requesting certain
 164 documentation from vendors and giving preference to
 165 vendors based on their social, political, or
 166 ideological interests; requiring that solicitations
 167 for purchases or leases include a specified notice;
 168 reenacting s. 17.61(1), F.S., relating to powers and
 169 duties of the Chief Financial Officer in the
 170 investment of certain funds, to incorporate the
 171 amendment made to s. 17.57, F.S., in references
 172 thereto; reenacting s. 215.44(3), F.S., relating to
 173 the powers and duties of the Board of Administration
 174 in the investment of trust funds, to incorporate the
 175 amendment made to s. 215.47, F.S., in a reference

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176 thereto; providing an effective date.

177

178 Be It Enacted by the Legislature of the State of Florida:

179

180 Section 1. Subsection (1) of section 17.57, Florida
 181 Statutes, is amended to read:

182 17.57 Deposits and investments of state money.—

183 (1) (a) As used in this subsection, the term "pecuniary
 184 factor" means a factor that the Chief Financial Officer, or
 185 other party authorized to invest on his or her behalf, prudently
 186 determines is expected to have a material effect on the risk or
 187 returns of an investment based on appropriate investment
 188 horizons consistent with applicable investment objectives and
 189 funding policy. The term does not include the consideration of
 190 the furtherance of any social, political, or ideological
 191 interests.

192 (b) The Chief Financial Officer, or other parties with the
 193 permission of the Chief Financial Officer, shall deposit the
 194 money of the state or any money in the State Treasury in such
 195 qualified public depositories of the state as will offer
 196 satisfactory collateral security for such deposits, pursuant to
 197 chapter 280. It is the duty of the Chief Financial Officer,
 198 consistent with the cash requirements of the state, to keep such
 199 money fully invested or deposited as provided herein in order
 200 that the state may realize maximum earnings and benefits.

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201 (c) Notwithstanding any other law except for s. 215.472,
 202 when deciding whether to invest and when investing, the Chief
 203 Financial Officer, or other party authorized to invest on his or
 204 her behalf, must make decisions based solely on pecuniary
 205 factors and may not subordinate the interests of the people of
 206 this state to other objectives, including sacrificing investment
 207 return or undertaking additional investment risk to promote any
 208 nonpecuniary factor. The weight given to any pecuniary factor
 209 must appropriately reflect a prudent assessment of its impact on
 210 risk or returns.

211 Section 2. Present subsections (4) and (5) of section
 212 20.058, Florida Statutes, are redesignated as subsections (5)
 213 and (6), respectively, and paragraph (g) is added to subsection
 214 (1) and a new subsection (4) is added to that section, to read:

215 20.058 Citizen support and direct-support organizations.—

216 (1) By August 1 of each year, a citizen support
 217 organization or direct-support organization created or
 218 authorized pursuant to law or executive order and created,
 219 approved, or administered by an agency, shall submit the
 220 following information to the appropriate agency:

221 (g) An attestation, under penalty of perjury, stating that
 222 the organization has complied with subsection (4).

223 (4) (a) As used in this section, the term "pecuniary
 224 factor" means a factor that the citizen support organization or
 225 direct-support organization prudently determines is expected to

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226 have a material effect on the risk or returns of an investment
 227 based on appropriate investment horizons consistent with
 228 applicable investment objectives and funding policy. The term
 229 does not include the consideration of the furtherance of any
 230 social, political, or ideological interests.

231 (b) Notwithstanding any other law, when deciding whether
 232 to invest and when investing funds on behalf of an agency, the
 233 citizen support organization or direct-support organization must
 234 make decisions based solely on pecuniary factors and may not
 235 subordinate the interests of the people of this state to other
 236 objectives, including sacrificing investment return or
 237 undertaking additional investment risk to promote any
 238 nonpecuniary factor. The weight given to any pecuniary factor
 239 must appropriately reflect a prudent assessment of its impact on
 240 risk or returns.

241 Section 3. Subsection (1) of section 112.656, Florida
 242 Statutes, is amended to read:

243 112.656 Fiduciary duties; certain officials included as
 244 fiduciaries.—

245 (1) A fiduciary shall discharge his or her duties with
 246 respect to a plan solely in the interest of the participants and
 247 beneficiaries for the exclusive purpose of providing benefits to
 248 participants and their beneficiaries and defraying reasonable
 249 expenses of administering the plan. Investment decisions must
 250 comply with s. 112.662.

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251 Section 4. Subsection (4) of section 112.661, Florida
 252 Statutes, is amended to read:

253 112.661 Investment policies.—Investment of the assets of
 254 any local retirement system or plan must be consistent with a
 255 written investment policy adopted by the board. Such policies
 256 shall be structured to maximize the financial return to the
 257 retirement system or plan consistent with the risks incumbent in
 258 each investment and shall be structured to establish and
 259 maintain an appropriate diversification of the retirement system
 260 or plan's assets.

261 (4) INVESTMENT AND FIDUCIARY STANDARDS.—The investment
 262 policy shall describe the level of prudence and ethical
 263 standards to be followed by the board in carrying out its
 264 investment activities with respect to funds described in this
 265 section. The board in performing its investment duties shall
 266 comply with the fiduciary standards set forth in the Employee
 267 Retirement Income Security Act of 1974 at 29 U.S.C. s.
 268 1104(a)(1)(A)–(C). Except as provided in s. 112.662, in case of
 269 conflict with other provisions of law authorizing investments,
 270 the investment and fiduciary standards set forth in this section
 271 ~~shall~~ prevail.

272 Section 5. Section 112.662, Florida Statutes, is created
 273 to read:

274 112.662 Investments; exercising shareholder rights.—

275 (1) As used in this section, the term "pecuniary factor"

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276 means a factor that the plan administrator, named fiduciary,
277 board, or board of trustees prudently determines is expected to
278 have a material effect on the risk or returns of an investment
279 based on appropriate investment horizons consistent with the
280 investment objectives and funding policy of the retirement
281 system or plan. The term does not include the consideration of
282 the furtherance of any social, political, or ideological
283 interests.

284 (2) Notwithstanding any other law, when deciding whether
285 to invest and when investing the assets of any retirement system
286 or plan, only pecuniary factors may be considered and the
287 interests of the participants and beneficiaries of the system or
288 plan may not be subordinated to other objectives, including
289 sacrificing investment return or undertaking additional
290 investment risk to promote any nonpecuniary factor. The weight
291 given to any pecuniary factor must appropriately reflect a
292 prudent assessment of its impact on risk or returns.

293 (3) Notwithstanding any other law, when deciding whether
294 to exercise shareholder rights or when exercising such rights on
295 behalf of a retirement system or plan, including the voting of
296 proxies, only pecuniary factors may be considered and the
297 interests of the participants and beneficiaries of the system or
298 plan may not be subordinated to other objectives, including
299 sacrificing investment return or undertaking additional
300 investment risk to promote any nonpecuniary factor.

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301 (4) (a) By December 15, 2023, and by December 15 of each
302 odd-numbered year thereafter, each retirement system or plan
303 shall file a comprehensive report detailing and reviewing the
304 governance policies concerning decisionmaking in vote decisions
305 and adherence to the fiduciary standards required of such
306 retirement system or plan under this section, including the
307 exercise of shareholder rights.

308 1. The State Board of Administration, on behalf of the
309 Florida Retirement System, shall submit its report to the
310 Governor, the Attorney General, the Chief Financial Officer, the
311 President of the Senate, and the Speaker of the House of
312 Representatives.

313 2. All other retirement systems or plans shall submit
314 their reports to the Department of Management Services.

315 (b) By January 15, 2024, and by January 15 of each even-
316 numbered year thereafter, the Department of Management Services
317 shall submit a summary report to the Governor, the Attorney
318 General, the Chief Financial Officer, the President of the
319 Senate, and the Speaker of the House of Representatives that
320 includes a summary of the reports submitted under paragraph (a)
321 and identifies any relevant trends among such systems and plans.

322 (c) The Department of Management Services shall report
323 incidents of noncompliance to the Attorney General, who may
324 institute proceedings to enjoin any person found violating this
325 section. If such action is successful, the Attorney General is

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326 entitled to reasonable attorney fees and costs.

327 (d) The Department of Management Services shall adopt
 328 rules to implement this subsection.

329 (5) This section does not apply to individual member-
 330 directed investment accounts established as part of a defined
 331 contribution plan under s. 401(a), s. 403(b), or s. 457 of the
 332 Internal Revenue Code.

333 Section 6. Subsection (1) of section 175.071, Florida
 334 Statutes, is amended to read:

335 175.071 General powers and duties of board of trustees.-
 336 For any municipality, special fire control district, chapter
 337 plan, local law municipality, local law special fire control
 338 district, or local law plan under this chapter:

339 (1) The board of trustees, subject to the fiduciary
 340 standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
 341 Ethics in ss. 112.311-112.3187, and the requirements in s.
 342 112.662, may:

343 (a) Invest and reinvest the assets of the firefighters'
 344 pension trust fund in annuity and life insurance contracts of
 345 life insurance companies in amounts sufficient to provide, in
 346 whole or in part, the benefits to which all of the participants
 347 in the firefighters' pension trust fund are entitled under this
 348 chapter and pay the initial and subsequent premiums thereon.

349 (b) Invest and reinvest the assets of the firefighters'
 350 pension trust fund in:

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351 1. Time or savings accounts of a national bank, a state
 352 bank insured by the Bank Insurance Fund, or a savings, building,
 353 and loan association insured by the Savings Association
 354 Insurance Fund administered by the Federal Deposit Insurance
 355 Corporation or a state or federal chartered credit union whose
 356 share accounts are insured by the National Credit Union Share
 357 Insurance Fund.

358 2. Obligations of the United States or obligations
 359 guaranteed as to principal and interest by the government of the
 360 United States.

361 3. Bonds issued by the State of Israel.

362 4. Bonds, stocks, or other evidences of indebtedness
 363 issued or guaranteed by a corporation organized under the laws
 364 of the United States, any state or organized territory of the
 365 United States, or the District of Columbia, if:

366 a. The corporation is listed on any one or more of the
 367 recognized national stock exchanges or on the National Market
 368 System of the NASDAQ Stock Market and, in the case of bonds
 369 only, holds a rating in one of the three highest classifications
 370 by a major rating service; and

371 b. The board of trustees may not invest more than 5
 372 percent of its assets in the common stock or capital stock of
 373 any one issuing company, nor may the aggregate investment in any
 374 one issuing company exceed 5 percent of the outstanding capital
 375 stock of that company or the aggregate of its investments under

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376 | this subparagraph at cost exceed 50 percent of the assets of the
377 | fund.

378

379 | This paragraph applies to all boards of trustees and
380 | participants. However, if a municipality or special fire control
381 | district has a duly enacted pension plan pursuant to, and in
382 | compliance with, s. 175.351, and the trustees desire to vary the
383 | investment procedures, the trustees of such plan must request a
384 | variance of the investment procedures as outlined herein only
385 | through a municipal ordinance, special act of the Legislature,
386 | or resolution by the governing body of the special fire control
387 | district; if a special act, or a municipality by ordinance
388 | adopted before July 1, 1998, permits a greater than 50-percent
389 | equity investment, such municipality is not required to comply
390 | with the aggregate equity investment provisions of this
391 | paragraph. Notwithstanding any other provision of law, this
392 | section may not be construed to take away any preexisting legal
393 | authority to make equity investments that exceed the
394 | requirements of this paragraph. Notwithstanding any other
395 | provision of law, the board of trustees may invest up to 25
396 | percent of plan assets in foreign securities on a market-value
397 | basis. The investment cap on foreign securities may not be
398 | revised, amended, increased, or repealed except as provided by
399 | general law.

400 | (c) Issue drafts upon the firefighters' pension trust fund

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401 pursuant to this act and rules prescribed by the board of
 402 trustees. All such drafts must be consecutively numbered, be
 403 signed by the chair and secretary, or by two individuals
 404 designated by the board who are subject to the same fiduciary
 405 standards as the board of trustees under this subsection, and
 406 state upon their faces the purpose for which the drafts are
 407 drawn. The treasurer or depository of each municipality or
 408 special fire control district shall retain such drafts when
 409 paid, as permanent vouchers for disbursements made, and no money
 410 may be otherwise drawn from the fund.

411 (d) Convert into cash any securities of the fund.

412 (e) Keep a complete record of all receipts and
 413 disbursements and the board's acts and proceedings.

414 Section 7. Subsection (1) of section 185.06, Florida
 415 Statutes, is amended to read:

416 185.06 General powers and duties of board of trustees.—For
 417 any municipality, chapter plan, local law municipality, or local
 418 law plan under this chapter:

419 (1) The board of trustees, subject to the fiduciary
 420 standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
 421 Ethics in ss. 112.311-112.3187, and the requirements in s.
 422 112.662, may:

423 (a) Invest and reinvest the assets of the retirement trust
 424 fund in annuity and life insurance contracts of life insurance
 425 companies in amounts sufficient to provide, in whole or in part,

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426 | the benefits to which all of the participants in the municipal
 427 | police officers' retirement trust fund are entitled under this
 428 | chapter, and pay the initial and subsequent premiums thereon.

429 | (b) Invest and reinvest the assets of the retirement trust
 430 | fund in:

431 | 1. Time or savings accounts of a national bank, a state
 432 | bank insured by the Bank Insurance Fund, or a savings and loan
 433 | association insured by the Savings Association Insurance Fund
 434 | administered by the Federal Deposit Insurance Corporation or a
 435 | state or federal chartered credit union whose share accounts are
 436 | insured by the National Credit Union Share Insurance Fund.

437 | 2. Obligations of the United States or obligations
 438 | guaranteed as to principal and interest by the United States.

439 | 3. Bonds issued by the State of Israel.

440 | 4. Bonds, stocks, or other evidences of indebtedness
 441 | issued or guaranteed by a corporation organized under the laws
 442 | of the United States, any state or organized territory of the
 443 | United States, or the District of Columbia, provided:

444 | a. The corporation is listed on any one or more of the
 445 | recognized national stock exchanges or on the National Market
 446 | System of the NASDAQ Stock Market and, in the case of bonds
 447 | only, holds a rating in one of the three highest classifications
 448 | by a major rating service; and

449 | b. The board of trustees may not invest more than 5
 450 | percent of its assets in the common stock or capital stock of

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451 any one issuing company, nor shall the aggregate investment in
452 any one issuing company exceed 5 percent of the outstanding
453 capital stock of the company or the aggregate of its investments
454 under this subparagraph at cost exceed 50 percent of the fund's
455 assets.

456
457 This paragraph applies to all boards of trustees and
458 participants. However, if a municipality has a duly enacted
459 pension plan pursuant to, and in compliance with, s. 185.35 and
460 the trustees desire to vary the investment procedures, the
461 trustees of such plan shall request a variance of the investment
462 procedures as outlined herein only through a municipal ordinance
463 or special act of the Legislature; if a special act, or a
464 municipality by ordinance adopted before July 1, 1998, permits a
465 greater than 50-percent equity investment, such municipality is
466 not required to comply with the aggregate equity investment
467 provisions of this paragraph. Notwithstanding any other
468 provision of law, this section may not be construed to take away
469 any preexisting legal authority to make equity investments that
470 exceed the requirements of this paragraph. Notwithstanding any
471 other provision of law, the board of trustees may invest up to
472 25 percent of plan assets in foreign securities on a market-
473 value basis. The investment cap on foreign securities may not be
474 revised, amended, repealed, or increased except as provided by
475 general law.

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476 (c) Issue drafts upon the municipal police officers'
 477 retirement trust fund pursuant to this act and rules prescribed
 478 by the board of trustees. All such drafts shall be consecutively
 479 numbered, be signed by the chair and secretary or by two
 480 individuals designated by the board who are subject to the same
 481 fiduciary standards as the board of trustees under this
 482 subsection, and state upon their faces the purposes for which
 483 the drafts are drawn. The city treasurer or other depository
 484 shall retain such drafts when paid, as permanent vouchers for
 485 disbursements made, and no money may otherwise be drawn from the
 486 fund.

487 (d) Finally decide all claims to relief under the board's
 488 rules and regulations and pursuant to the provisions of this
 489 act.

490 (e) Convert into cash any securities of the fund.

491 (f) Keep a complete record of all receipts and
 492 disbursements and of the board's acts and proceedings.

493 Section 8. Subsection (10) of section 215.47, Florida
 494 Statutes, is amended to read:

495 215.47 Investments; authorized securities; loan of
 496 securities.—Subject to the limitations and conditions of the
 497 State Constitution or of the trust agreement relating to a trust
 498 fund, moneys available for investments under ss. 215.44-215.53
 499 may be invested as follows:

500 (10) (a) As used in this subsection, the term "pecuniary

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501 factor" means a factor that the State Board of Administration
 502 prudently determines is expected to have a material effect on
 503 the risk or returns of an investment based on appropriate
 504 investment horizons consistent with applicable investment
 505 objectives and funding policy. The term does not include the
 506 consideration of the furtherance of any social, political, or
 507 ideological interests.

508 (b) Notwithstanding any other law except for ss. 215.471,
 509 215.4725, and 215.473, when deciding whether to invest and when
 510 investing the assets of any fund, the State Board of
 511 Administration must make decisions based solely on pecuniary
 512 factors and may not subordinate the interests of the
 513 participants and beneficiaries of the fund to other objectives,
 514 including sacrificing investment return or undertaking
 515 additional investment risk to promote any nonpecuniary factor.
 516 The weight given to any pecuniary factor must appropriately
 517 reflect a prudent assessment of its impact on risk or returns.

518 (c) Investments made by the State Board of Administration
 519 shall be designed to maximize the financial return to the fund
 520 consistent with the risks incumbent in each investment and shall
 521 be designed to preserve an appropriate diversification of the
 522 portfolio. The board shall discharge its duties with respect to
 523 a plan solely in the interest of its participants and
 524 beneficiaries. The board in performing the above investment
 525 duties shall comply with the fiduciary standards set forth in

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526 the Employee Retirement Income Security Act of 1974 at 29 U.S.C.
527 s. 1104(a)(1)(A) through (C). Except as provided in paragraph
528 (b), in case of conflict with other provisions of law
529 authorizing investments, the investment and fiduciary standards
530 set forth in this paragraph ~~subsection~~ shall prevail.

531 Section 9. Subsection (1) of section 215.475, Florida
532 Statutes, is amended to read:

533 215.475 Investment policy statement.—

534 (1) In making investments for the System Trust Fund
535 pursuant to ss. 215.44-215.53, the board shall make no
536 investment which is not in conformance with the Florida
537 Retirement System Defined Benefit Plan Investment Policy
538 Statement, hereinafter referred to as "the IPS," as developed by
539 the executive director and approved by the board. The IPS must
540 comply with s. 215.47(10) and include, among other items, the
541 investment objectives of the System Trust Fund; permitted types
542 of securities in which the board may invest; and evaluation
543 criteria necessary to measure the investment performance of the
544 fund. As required from time to time, the executive director of
545 the board may present recommended changes in the IPS to the
546 board for approval.

547 Section 10. Present paragraphs (b), (c), and (d) of
548 subsection (1) of section 215.4755, Florida Statutes, are
549 redesignated as paragraphs (c), (d), and (e), respectively, a
550 new paragraph (b) is added to that subsection, and subsection

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551 (3) of that section is amended, to read:

552 215.4755 Certification and disclosure requirements for
553 investment advisers and managers.—

554 (1) An investment adviser or manager who has discretionary
555 investment authority for direct holdings and who is retained as
556 provided in s. 215.44(2)(b) shall agree pursuant to contract to
557 annually certify in writing to the board that:

558 (b) All investment decisions made on behalf of the trust
559 funds and the board are made based solely on pecuniary factors
560 as defined in s. 215.47(10)(a) and do not subordinate the
561 interests of the participants and beneficiaries of the funds to
562 other objectives, including sacrificing investment return or
563 undertaking additional investment risk to promote any
564 nonpecuniary factor. This paragraph applies to any contract
565 executed, amended, or renewed on or after July 1, 2023.

566 (3)(a) An investment adviser or manager certification
567 required under subsection (1) must ~~shall~~ be provided by each
568 ~~annually, no later than~~ January 31, for the reporting period of
569 the previous calendar year on a form prescribed by the board.

570 (b) Failure to timely file the certification required
571 under subsection (1) is grounds for termination of any contract
572 between the board and the investment advisor or manager.

573 (c) Submission of a materially false certification is
574 deemed a willful refusal to comply with the fiduciary standard
575 described in paragraph (1)(b).

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576 (d) If an investment advisor or manager fails to comply
 577 with the fiduciary standard described in paragraph (1)(b) while
 578 providing services to the board, the board must report such
 579 noncompliance to the Attorney General, who may bring a civil or
 580 administrative action for damages, injunctive relief, and such
 581 other relief as may be appropriate. If such action is
 582 successful, the Attorney General is entitled to reasonable
 583 attorney fees and costs.

584 Section 11. Section 215.681, Florida Statutes, is created
 585 to read:

586 215.681 ESG bonds; prohibitions.—

587 (1) As used in this section, the term:

588 (a) "Bonds" means any note, general obligation bond,
 589 revenue bond, special assessment bond, special obligation bond,
 590 private activity bond, certificate of participation, or other
 591 evidence of indebtedness or obligation, in either temporary or
 592 definitive form.

593 (b) "ESG" means environmental, social, and governance.

594 (c) "ESG bonds" means any bonds that have been designated
 595 or labeled as bonds that will be used to finance a project with
 596 an ESG purpose, including, but not limited to, green bonds,
 597 Certified Climate Bonds, GreenStar designated bonds, and other
 598 environmental bonds marketed as promoting a generalized or
 599 global environmental objective; social bonds marketed as
 600 promoting a social objective; and sustainability bonds and

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601 sustainable development goal bonds marketed as promoting both
602 environmental and social objectives. The term includes those
603 bonds self-designated by the issuer as ESG-labeled bonds and
604 those designated as ESG-labeled bonds by a third-party verifier.

605 (d) "Issuer" means the division, acting on behalf of any
606 entity; any local government, educational entity, or entity of
607 higher education as defined in s. 215.89(2)(c), (d), and (e),
608 respectively, or other political subdivision granted the power
609 to issue bonds; any public body corporate and politic authorized
610 or created by general or special law and granted the power to
611 issue bonds, including, but not limited to, a water and sewer
612 district created under chapter 153, a health facilities
613 authority as defined in s. 154.205, an industrial development
614 authority created under chapter 159, a housing financing
615 authority as defined in s. 159.603(3), a research and
616 development authority as defined in s. 159.702(1)(c), a legal or
617 administrative entity created by interlocal agreement pursuant
618 to s. 163.01(7), a community redevelopment agency as defined in
619 s. 163.340(1), a regional transportation authority created under
620 chapter 163, a community development district as defined in s.
621 190.003, an educational facilities authority as defined in s.
622 243.52(1), the Higher Educational Facilities Financing Authority
623 created under s. 243.53, the Florida Development Finance
624 Corporation created under s. 288.9604, a port district or port
625 authority as defined in s. 315.02(1) and (2), respectively, the

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626 South Florida Regional Transportation Authority created under s.
 627 343.53, the Central Florida Regional Transportation Authority
 628 created under s. 343.63, the Tampa Bay Area Regional Transit
 629 Authority created under s. 343.92, the Greater Miami Expressway
 630 Agency created under s. 348.0304, the Tampa-Hillsborough County
 631 Expressway Authority created under s. 348.52, the Central
 632 Florida Expressway Authority created under s. 348.753, the
 633 Jacksonville Transportation Authority created under s. 349.03,
 634 and the Florida Housing Finance Corporation created under s.
 635 420.504.

636 (e) "Rating agency" means any nationally recognized rating
 637 service or nationally recognized statistical rating
 638 organization.

639 (f) "Third-party verifier" means any entity that contracts
 640 with an issuer to conduct an external review and independent
 641 assessment of proposed ESG bonds to ensure that such bonds may
 642 be designated or labeled as ESG bonds or will be used to finance
 643 a project that will comply with applicable ESG standards.

644 (2) Notwithstanding any other provision of law relating to
 645 the issuance of bonds, it is a violation of this section and it
 646 is prohibited for any issuer to:

647 (a) Issue ESG bonds.

648 (b) Expend public funds as defined in s. 215.85(3) or use
 649 moneys derived from the issuance of bonds to pay for the
 650 services of a third-party verifier related to the designation or

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651 labeling of bonds as ESG bonds, including, but not limited to,
652 certifying or verifying that bonds may be designated or labeled
653 as ESG bonds, rendering a second-party opinion or producing a
654 verifier's report as to the compliance of proposed ESG bonds
655 with applicable ESG standards and metrics, complying with post-
656 issuance reporting obligations, or other services that are only
657 provided due to the designation or labeling of bonds as ESG
658 bonds.

659 (c) Enter into a contract with any rating agency whose ESG
660 scores for such issuer will have a direct, negative impact on
661 the issuer's bond ratings.

662 (3) Notwithstanding s. 655.0323, a financial institution
663 as defined in s. 655.005(1) may purchase and underwrite bonds
664 issued by a governmental entity.

665 (4) This section does not apply to any bonds issued before
666 July 1, 2023, or to any agreement entered into or any contract
667 executed before July 1, 2023.

668 Section 12. Section 215.855, Florida Statutes, is created
669 to read:

670 215.855 Investment manager external communication.-

671 (1) As used in this section, the term:

672 (a) "Governmental entity" means a state, regional, county,
673 municipal, special district, or other political subdivision
674 whether executive, judicial, or legislative, including, but not
675 limited to, a department, division, board, bureau, commission,

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676 authority, district, or agency thereof, or a public school,
 677 Florida College System institution, state university, or
 678 associated board.

679 (b) "Investment manager" means a private sector company
 680 that offers one or more investment products or services to a
 681 governmental entity and that has the discretionary investment
 682 authority for direct holdings.

683 (c) "Public funds" means all moneys under the jurisdiction
 684 of a governmental entity and includes all manner of pension and
 685 retirement funds and all other funds held, as trust funds or
 686 otherwise, for any public purpose, subject to investment.

687 (2) Any contract between a governmental entity and an
 688 investment manager must contain the following provisions:

689 (a) That any written communication made by the investment
 690 manager to a company in which such manager invests public funds
 691 on behalf of a governmental entity must include the following
 692 disclaimer in a conspicuous location if such communication
 693 discusses social, political, or ideological interests;
 694 subordinates the interests of the company's shareholders to the
 695 interest of another entity; or advocates for the interest of an
 696 entity other than the company's shareholders:

697
 698 The views and opinions expressed in this communication are those
 699 of the sender and do not reflect the views and opinions of the
 700 people of the State of Florida.

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(b) That the contract may be unilaterally terminated at the option of the governmental entity if the investment manager does not include the disclaimer required in paragraph (a).

(3) This section applies to contracts between a governmental entity and an investment manager executed, amended, or renewed on or after July 1, 2023.

Section 13. Subsection (24) is added to section 218.415, Florida Statutes, to read:

218.415 Local government investment policies.—Investment activity by a unit of local government must be consistent with a written investment plan adopted by the governing body, or in the absence of the existence of a governing body, the respective principal officer of the unit of local government and maintained by the unit of local government or, in the alternative, such activity must be conducted in accordance with subsection (17). Any such unit of local government shall have an investment policy for any public funds in excess of the amounts needed to meet current expenses as provided in subsections (1)-(16), or shall meet the alternative investment guidelines contained in subsection (17). Such policies shall be structured to place the highest priority on the safety of principal and liquidity of funds. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Each unit of local government shall adopt policies that are commensurate with the

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726 nature and size of the public funds within its custody.

727 (24) INVESTMENT DECISIONS.—

728 (a) As used in this subsection, the term "pecuniary
 729 factor" means a factor that the governing body of the unit of
 730 local government, or in the absence of the existence of a
 731 governing body, the respective principal officer of the unit of
 732 local government, prudently determines is expected to have a
 733 material effect on the risk or returns of an investment based on
 734 appropriate investment horizons consistent with applicable
 735 investment objectives and funding policy. The term does not
 736 include the consideration of the furtherance of any social,
 737 political, or ideological interests.

738 (b) Notwithstanding any other law, when deciding whether
 739 to invest and when investing public funds pursuant to this
 740 section, the unit of local government must make decisions based
 741 solely on pecuniary factors and may not subordinate the
 742 interests of the people of this state to other objectives,
 743 including sacrificing investment return or undertaking
 744 additional investment risk to promote any nonpecuniary factor.
 745 The weight given to any pecuniary factor must appropriately
 746 reflect a prudent assessment of its impact on risk or returns.

747 Section 14. Present paragraphs (e) and (f) of subsection
 748 (26) of section 280.02, Florida Statutes, are redesignated as
 749 paragraphs (g) and (h), respectively, and new paragraphs (e) and
 750 (f) are added to that subsection, to read:

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751 280.02 Definitions.—As used in this chapter, the term:
 752 (26) "Qualified public depository" means a bank, savings
 753 bank, or savings association that:

754 (e) Makes determinations about the provision of services
 755 or the denial of services based on an analysis of risk factors
 756 unique to each customer or member. This paragraph does not
 757 restrict a qualified public depository that claims a religious
 758 purpose from making such determinations based on the religious
 759 beliefs, religious exercise, or religious affiliations of a
 760 customer or member.

761 (f) Does not engage in the unsafe and unsound practice of
 762 denying or canceling its services to a person, or otherwise
 763 discriminating against a person in making available such
 764 services or in the terms or conditions of such services, on the
 765 basis of:

766 1. The person's political opinions, speech, or
 767 affiliations;

768 2. Except as provided in paragraph (e), the person's
 769 religious beliefs, religious exercise, or religious
 770 affiliations;

771 3. Any factor if it is not a quantitative, impartial, and
 772 risk-based standard, including any such factor related to the
 773 person's business sector; or

774 4. The use of any rating, scoring, analysis, tabulation,
 775 or action that considers a social credit score based on factors

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776 | including, but not limited to:

777 | a. The person's political opinions, speech, or

778 | affiliations.

779 | b. The person's religious beliefs, religious exercise, or

780 | religious affiliations.

781 | c. The person's lawful ownership of a firearm.

782 | d. The person's engagement in the lawful manufacture,

783 | distribution, sale, purchase, or use of firearms or ammunition.

784 | e. The person's engagement in the exploration, production,

785 | utilization, transportation, sale, or manufacture of fossil

786 | fuel-based energy, timber, mining, or agriculture.

787 | f. The person's support of the state or Federal Government

788 | in combatting illegal immigration, drug trafficking, or human

789 | trafficking.

790 | g. The person's engagement with, facilitation of,

791 | employment by, support of, business relationship with,

792 | representation of, or advocacy for any person described in this

793 | subparagraph.

794 | h. The person's failure to meet or commit to meet, or

795 | expected failure to meet, any of the following as long as such

796 | person is in compliance with applicable state or federal law:

797 | (I) Environmental standards, including emissions

798 | standards, benchmarks, requirements, or disclosures;

799 | (II) Social governance standards, benchmarks, or

800 | requirements, including, but not limited to, environmental or

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801 social justice;
 802 (III) Corporate board or company employment composition
 803 standards, benchmarks, requirements, or disclosures based on
 804 characteristics protected under the Florida Civil Rights Act of
 805 1992; or
 806 (IV) Policies or procedures requiring or encouraging
 807 employee participation in social justice programming, including,
 808 but not limited to, diversity, equity, or inclusion training.
 809 Section 15. Section 280.025, Florida Statutes, is created
 810 to read:
 811 280.025 Attestation required.—
 812 (1) Beginning July 1, 2023, the following entities must
 813 attest, under penalty of perjury, on a form prescribed by the
 814 Chief Financial Officer, whether the entity is in compliance
 815 with s. 280.02(26) (e) and (f):
 816 (a) A bank, savings bank, or savings association, upon
 817 application or reapplication for designation as a qualified
 818 public depository.
 819 (b) A qualified public depository, upon filing the report
 820 required by s. 280.16(1) (d).
 821 (2) If an application or reapplication for designation as
 822 a qualified public depository is pending on July 1, 2023, the
 823 bank, savings bank, or savings association must file the
 824 attestation required under subsection (1) before being
 825 designated or redesignated a qualified public depository.

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826 Section 16. Paragraph (d) of subsection (13) and
 827 subsection (17) of section 280.05, Florida Statutes, are amended
 828 to read:

829 280.05 Powers and duties of the Chief Financial Officer.—
 830 In fulfilling the requirements of this act, the Chief Financial
 831 Officer has the power to take the following actions he or she
 832 deems necessary to protect the integrity of the public deposits
 833 program:

834 (13) Require the filing of the following reports, which
 835 the Chief Financial Officer shall process as provided:

836 (d)1. Any related documents, reports, records, or other
 837 information deemed necessary by the Chief Financial Officer in
 838 order to ascertain compliance with this chapter, including, but
 839 not limited to, verifying the attestation required under s.
 840 280.025.

841 2. If the Chief Financial Officer determines that the
 842 attestation required under s. 280.025 is materially false, he or
 843 she must report such determination to the Attorney General, who
 844 may bring a civil or administrative action for damages,
 845 injunctive relief, and such other relief as may be appropriate.
 846 If such action is successful, the Attorney General is entitled
 847 to reasonable attorney fees and costs.

848 3. As related to federally chartered financial
 849 institutions, this paragraph may not be construed to create a
 850 power exceeding the visitorial powers of the Chief Financial

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851 Officer allowed under federal law.

852 (17) Suspend or disqualify or disqualify after suspension
853 any qualified public depository that has violated ~~any of the~~
854 ~~provisions of~~ this chapter or ~~of~~ rules adopted hereunder or that
855 no longer meets the definition of a qualified public depository
856 under s. 280.02.

857 (a) Any qualified public depository that is suspended or
858 disqualified pursuant to this subsection is subject to the
859 provisions of s. 280.11(2) governing withdrawal from the public
860 deposits program and return of pledged collateral. Any
861 suspension shall not exceed a period of 6 months. Any qualified
862 public depository which has been disqualified may not reapply
863 for qualification until after the expiration of 1 year from the
864 date of the final order of disqualification or the final
865 disposition of any appeal taken therefrom.

866 (b) In lieu of suspension or disqualification, impose an
867 administrative penalty upon the qualified public depository as
868 provided in s. 280.054.

869 (c) If the Chief Financial Officer has reason to believe
870 that any qualified public depository or any other financial
871 institution holding public deposits is or has been violating ~~any~~
872 ~~of the provisions of~~ this chapter or ~~of~~ rules adopted hereunder
873 or no longer meets the definition of a qualified public
874 depository under s. 280.02, he or she may issue to the qualified
875 public depository or other financial institution an order to

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876 | cease and desist from the violation or to correct the condition
 877 | giving rise to or resulting from the violation. If any qualified
 878 | public depository or other financial institution violates a
 879 | cease-and-desist or corrective order, the Chief Financial
 880 | Officer may impose an administrative penalty upon the qualified
 881 | public depository or other financial institution as provided in
 882 | s. 280.054 or s. 280.055. In addition to the administrative
 883 | penalty, the Chief Financial Officer may suspend or disqualify
 884 | any qualified public depository for violation of any order
 885 | issued pursuant to this paragraph.

886 | Section 17. Subsections (14) and (15) are added to section
 887 | 280.051, Florida Statutes, to read:

888 | 280.051 Grounds for suspension or disqualification of a
 889 | qualified public depository.—A qualified public depository may
 890 | be suspended or disqualified or both if the Chief Financial
 891 | Officer determines that the qualified public depository has:

892 | (14) Failed to file the attestation required under s.
 893 | 280.025.

894 | (15) No longer meets the definition of a qualified public
 895 | depository under s. 280.02.

896 | Section 18. Paragraph (b) of subsection (1) of section
 897 | 280.054, Florida Statutes, is amended to read:

898 | 280.054 Administrative penalty in lieu of suspension or
 899 | disqualification.—

900 | (1) If the Chief Financial Officer finds that one or more

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901 grounds exist for the suspension or disqualification of a
902 qualified public depository, the Chief Financial Officer may, in
903 lieu of suspension or disqualification, impose an administrative
904 penalty upon the qualified public depository.

905 (b) With respect to any knowing and willful violation of a
906 lawful order or rule, the Chief Financial Officer may impose a
907 penalty upon the qualified public depository in an amount not
908 exceeding \$1,000 for each violation. If restitution is due, the
909 qualified public depository shall make restitution upon the
910 order of the Chief Financial Officer and shall pay interest on
911 such amount at the legal rate. Each day a violation continues
912 constitutes a separate violation. Failure to timely file the
913 attestation required under s. 280.025 is deemed a knowing and
914 willful violation.

915 Section 19. Paragraphs (e) and (f) of subsection (1) of
916 section 280.055, Florida Statutes, are amended, and paragraph
917 (g) is added to that subsection, to read:

918 280.055 Cease and desist order; corrective order;
919 administrative penalty.—

920 (1) The Chief Financial Officer may issue a cease and
921 desist order and a corrective order upon determining that:

922 (e) A qualified public depository or a custodian has not
923 furnished to the Chief Financial Officer, when the Chief
924 Financial Officer requested, a power of attorney or bond power
925 or bond assignment form required by the bond agent or bond

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926 trustee for each issue of registered certificated securities
 927 pledged and registered in the name, or nominee name, of the
 928 qualified public depository or custodian; ~~or~~

929 (f) A qualified public depository; a bank, savings
 930 association, or other financial institution; or a custodian has
 931 committed any other violation of this chapter or any rule
 932 adopted pursuant to this chapter that the Chief Financial
 933 Officer determines may be remedied by a cease and desist order
 934 or corrective order; or

935 (g) A qualified public depository no longer meets the
 936 definition of a qualified public depository under s. 280.02.

937 Section 20. Section 287.05701, Florida Statutes, is
 938 created to read:

939 287.05701 Prohibition against considering social,
 940 political, or ideological interests in government contracting.-

941 (1) As used in this section, the term "awarding body"
 942 means:

943 (a) For state contracts, an agency or the department.

944 (b) For local government contracts, the governing body of
 945 a county, a municipality, a special district, or any other
 946 political subdivision of the state.

947 (2)(a) An awarding body may not request documentation of
 948 or consider a vendor's social, political, or ideological
 949 interests when determining if the vendor is a responsible
 950 vendor.

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951 (b) An awarding body may not give preference to a vendor
 952 based on the vendor's social, political, or ideological
 953 interests.

954 (3) Beginning July 1, 2023, any solicitation for the
 955 procurement of commodities or contractual services by an
 956 awarding body must include a provision notifying vendors of the
 957 provisions of this section.

958 Section 21. Section 516.037, Florida Statutes, is created
 959 to read:

960 516.037 Unsafe and unsound practices.—

961 (1) Licensees must make determinations about the provision
 962 or denial of services based on an analysis of risk factors
 963 unique to each current or prospective customer and may not
 964 engage in an unsafe and unsound practice as provided in
 965 subsection (2). This subsection does not restrict a licensee
 966 that claims a religious purpose from making such determinations
 967 based on the current or prospective customer's religious
 968 beliefs, religious exercise, or religious affiliations.

969 (2) It is an unsafe and unsound practice for a licensee to
 970 deny or cancel its services to a person, or to otherwise
 971 discriminate against a person in making available such services
 972 or in the terms or conditions of such services, on the basis of:

973 (a) The person's political opinions, speech, or
 974 affiliations;

975 (b) Except as provided in subsection (1), the person's

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976 religious beliefs, religious exercise, or religious
 977 affiliations;

978 (c) Any factor if it is not a quantitative, impartial, and
 979 risk-based standard, including any such factor related to the
 980 person's business sector; or

981 (d) The use of any rating, scoring, analysis, tabulation,
 982 or action that considers a social credit score based on factors
 983 including, but not limited to:

984 1. The person's political opinions, speech, or
 985 affiliations.

986 2. The person's religious beliefs, religious exercise, or
 987 religious affiliations.

988 3. The person's lawful ownership of a firearm.

989 4. The person's engagement in the lawful manufacture,
 990 distribution, sale, purchase, or use of firearms or ammunition.

991 5. The person's engagement in the exploration, production,
 992 utilization, transportation, sale, or manufacture of fossil
 993 fuel-based energy, timber, mining, or agriculture.

994 6. The person's support of the state or Federal Government
 995 in combatting illegal immigration, drug trafficking, or human
 996 trafficking.

997 7. The person's engagement with, facilitation of,
 998 employment by, support of, business relationship with,
 999 representation of, or advocacy for any person described in this
 1000 paragraph.

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1001 8. The person's failure to meet or commit to meet, or
 1002 expected failure to meet, any of the following as long as such
 1003 person is in compliance with applicable state or federal law:

1004 a. Environmental standards, including emissions standards,
 1005 benchmarks, requirements, or disclosures;

1006 b. Social governance standards, benchmarks, or
 1007 requirements, including, but not limited to, environmental or
 1008 social justice;

1009 c. Corporate board or company employment composition
 1010 standards, benchmarks, requirements, or disclosures based on
 1011 characteristics protected under the Florida Civil Rights Act of
 1012 1992; or

1013 d. Policies or procedures requiring or encouraging
 1014 employee participation in social justice programming, including,
 1015 but not limited to, diversity, equity, or inclusion training.

1016 (3) Beginning July 1, 2023, and upon application for a
 1017 license or license renewal, applicants and licensees must
 1018 attest, under penalty of perjury, on a form prescribed by the
 1019 commission whether the applicant or licensee is acting in
 1020 compliance with subsections (1) and (2).

1021 (4) In addition to any sanctions and penalties under this
 1022 chapter, a failure to comply with subsection (1) or engaging in
 1023 a practice described in subsection (2) constitutes a violation
 1024 of the Florida Deceptive and Unfair Trade Practices Act under
 1025 part II of chapter 501. Notwithstanding s. 501.211, violations

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1026 must be enforced only by the enforcing authority, as defined in
 1027 s. 501.203(2), and subject the violator to the sanctions and
 1028 penalties provided for in that part. If such action is
 1029 successful, the enforcing authority is entitled to reasonable
 1030 attorney fees and costs.

1031 Section 22. Section 560.1115, Florida Statutes, is created
 1032 to read:

1033 560.1115 Unsafe and unsound practices.—

1034 (1) Licensees must make determinations about the provision
 1035 or denial of services based on an analysis of risk factors
 1036 unique to each current or prospective customer and may not
 1037 engage in an unsafe and unsound practice as provided in
 1038 subsection (2). This subsection does not restrict a licensee
 1039 that claims a religious purpose from making such determinations
 1040 based on the current or prospective customer's religious
 1041 beliefs, religious exercise, or religious affiliations.

1042 (2) It is an unsafe and unsound practice for a licensee to
 1043 deny or cancel its services to a person, or to otherwise
 1044 discriminate against a person in making available such services
 1045 or in the terms or conditions of such services, on the basis of:

1046 (a) The person's political opinions, speech, or
 1047 affiliations;

1048 (b) Except as provided in subsection (1), the person's
 1049 religious beliefs, religious exercise, or religious
 1050 affiliations;

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1051 (c) Any factor if it is not a quantitative, impartial, and
 1052 risk-based standard, including any such factor related to the
 1053 person's business sector; or

1054 (d) The use of any rating, scoring, analysis, tabulation,
 1055 or action that considers a social credit score based on factors
 1056 including, but not limited to:

1057 1. The person's political opinions, speech, or
 1058 affiliations.

1059 2. The person's religious beliefs, religious exercise, or
 1060 religious affiliations.

1061 3. The person's lawful ownership of a firearm.

1062 4. The person's engagement in the lawful manufacture,
 1063 distribution, sale, purchase, or use of firearms or ammunition.

1064 5. The person's engagement in the exploration, production,
 1065 utilization, transportation, sale, or manufacture of fossil
 1066 fuel-based energy, timber, mining, or agriculture.

1067 6. The person's support of the state or Federal Government
 1068 in combatting illegal immigration, drug trafficking, or human
 1069 trafficking.

1070 7. The person's engagement with, facilitation of,
 1071 employment by, support of, business relationship with,
 1072 representation of, or advocacy for any person described in this
 1073 paragraph.

1074 8. The person's failure to meet or commit to meet, or
 1075 expected failure to meet, any of the following as long as such

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1076 person is in compliance with applicable state or federal law:
 1077 a. Environmental standards, including emissions standards,
 1078 benchmarks, requirements, or disclosures;
 1079 b. Social governance standards, benchmarks, or
 1080 requirements, including, but not limited to, environmental or
 1081 social justice;
 1082 c. Corporate board or company employment composition
 1083 standards, benchmarks, requirements, or disclosures based on
 1084 characteristics protected under the Florida Civil Rights Act of
 1085 1992; or
 1086 d. Policies or procedures requiring or encouraging
 1087 employee participation in social justice programming, including,
 1088 but not limited to, diversity, equity, or inclusion training.
 1089 (3) Beginning July 1, 2023, and upon application for a
 1090 license or license renewal, applicants and licensees, as
 1091 applicable, must attest, under penalty of perjury, on a form
 1092 prescribed by the commission whether the applicant or licensee
 1093 is acting in compliance with subsections (1) and (2).
 1094 (4) In addition to any sanctions and penalties under this
 1095 chapter, a failure to comply with subsection (1) or engaging in
 1096 a practice described in subsection (2) constitutes a violation
 1097 of the Florida Deceptive and Unfair Trade Practices Act under
 1098 part II of chapter 501. Notwithstanding s. 501.211, violations
 1099 must be enforced only by the enforcing authority, as defined in
 1100 s. 501.203(2), and subject the violator to the sanctions and

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1101 penalties provided for in that part. If such action is
 1102 successful, the enforcing authority is entitled to reasonable
 1103 attorney fees and costs.

1104 Section 23. Paragraph (h) of subsection (1) of section
 1105 560.114, Florida Statutes, is amended to read:

1106 560.114 Disciplinary actions; penalties.—

1107 (1) The following actions by a money services business,
 1108 authorized vendor, or affiliated party constitute grounds for
 1109 the issuance of a cease and desist order; the issuance of a
 1110 removal order; the denial, suspension, or revocation of a
 1111 license; or taking any other action within the authority of the
 1112 office pursuant to this chapter:

1113 (h) Engaging in an act prohibited under s. 560.111 or s.
 1114 560.1115.

1115 Section 24. Paragraph (y) of subsection (1) of section
 1116 655.005, Florida Statutes, is amended to read:

1117 655.005 Definitions.—

1118 (1) As used in the financial institutions codes, unless
 1119 the context otherwise requires, the term:

1120 (y) "Unsafe or unsound practice" or "unsafe and unsound
 1121 practice" means:

1122 1. Any practice or conduct found by the office to be
 1123 contrary to generally accepted standards applicable to a
 1124 financial institution, or a violation of any prior agreement in
 1125 writing or order of a state or federal regulatory agency, which

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1126 | practice, conduct, or violation creates the likelihood of loss,
 1127 | insolvency, or dissipation of assets or otherwise prejudices the
 1128 | interest of the financial institution or its depositors or
 1129 | members. In making this determination, the office must consider
 1130 | the size and condition of the financial institution, the gravity
 1131 | of the violation, and the prior conduct of the person or
 1132 | institution involved; or

1133 | 2. Failure to comply with s. 655.0323(1), or engaging in a
 1134 | practice described in s. 655.0323(2).

1135 | Section 25. Section 655.0323, Florida Statutes, is created
 1136 | to read:

1137 | 655.0323 Unsafe and unsound practices.—

1138 | (1) Financial institutions must make determinations about
 1139 | the provision or denial of services based on an analysis of risk
 1140 | factors unique to each current or prospective customer or member
 1141 | and may not engage in an unsafe and unsound practice as provided
 1142 | in subsection (2). This subsection does not restrict a financial
 1143 | institution that claims a religious purpose from making such
 1144 | determinations based on the current or prospective customer's or
 1145 | member's religious beliefs, religious exercise, or religious
 1146 | affiliations.

1147 | (2) It is an unsafe and unsound practice for a financial
 1148 | institution to deny or cancel its services to a person, or to
 1149 | otherwise discriminate against a person in making available such
 1150 | services or in the terms or conditions of such services, on the

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1151 basis of:
 1152 (a) The person's political opinions, speech, or
 1153 affiliations;
 1154 (b) Except as provided in subsection (1), the person's
 1155 religious beliefs, religious exercise, or religious
 1156 affiliations;
 1157 (c) Any factor if it is not a quantitative, impartial, and
 1158 risk-based standard, including any such factor related to the
 1159 person's business sector; or
 1160 (d) The use of any rating, scoring, analysis, tabulation,
 1161 or action that considers a social credit score based on factors
 1162 including, but not limited to:
 1163 1. The person's political opinions, speech, or
 1164 affiliations.
 1165 2. The person's religious beliefs, religious exercise, or
 1166 religious affiliations.
 1167 3. The person's lawful ownership of a firearm.
 1168 4. The person's engagement in the lawful manufacture,
 1169 distribution, sale, purchase, or use of firearms or ammunition.
 1170 5. The person's engagement in the exploration, production,
 1171 utilization, transportation, sale, or manufacture of fossil
 1172 fuel-based energy, timber, mining, or agriculture.
 1173 6. The person's support of the state or Federal Government
 1174 in combatting illegal immigration, drug trafficking, or human
 1175 trafficking.

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1176 7. The person's engagement with, facilitation of,
 1177 employment by, support of, business relationship with,
 1178 representation of, or advocacy for any person described in this
 1179 paragraph.

1180 8. The person's failure to meet or commit to meet, or
 1181 expected failure to meet, any of the following as long as such
 1182 person is in compliance with applicable state or federal law:

1183 a. Environmental standards, including emissions standards,
 1184 benchmarks, requirements, or disclosures;

1185 b. Social governance standards, benchmarks, or
 1186 requirements, including, but not limited to, environmental or
 1187 social justice;

1188 c. Corporate board or company employment composition
 1189 standards, benchmarks, requirements, or disclosures based on
 1190 characteristics protected under the Florida Civil Rights Act of
 1191 1992; or

1192 d. Policies or procedures requiring or encouraging
 1193 employee participation in social justice programming, including,
 1194 but not limited to, diversity, equity, or inclusion training.

1195 (3) Beginning July 1, 2023, and by July 1 of each year
 1196 thereafter, financial institutions subject to the financial
 1197 institutions codes must attest, under penalty of perjury, on a
 1198 form prescribed by the commission whether the entity is acting
 1199 in compliance with subsections (1) and (2).

1200 (4) Engaging in a practice described in subsection (2) or

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1201 failing to timely provide the attestation under subsection (3)
 1202 is a failure to comply with this chapter, constitutes a
 1203 violation of the financial institutions codes, and is subject to
 1204 the applicable sanctions and penalties provided for in the
 1205 financial institutions codes.

1206 (5) Notwithstanding ss. 501.211 and 501.212, a failure to
 1207 comply with subsection (1) or engaging in a practice described
 1208 in subsection (2) constitutes a violation of the Florida
 1209 Deceptive and Unfair Trade Practices Act under part II of
 1210 chapter 501. Violations must be enforced only by the enforcing
 1211 authority, as defined in s. 501.203(2), and subject the violator
 1212 to the sanctions and penalties provided for in that part. If
 1213 such action is successful, the enforcing authority is entitled
 1214 to reasonable attorney fees and costs.

1215 (6) The office and the commission may not exercise
 1216 authority pursuant to s. 655.061 in relation to this section.

1217 Section 26. Subsection (5) is added to section 1010.04,
 1218 Florida Statutes, to read:

1219 1010.04 Purchasing.—

1220 (5) Beginning July 1, 2023, school districts, Florida
 1221 College System institutions, and state universities may not:

1222 (a) Request documentation of or consider a vendor's
 1223 social, political, or ideological interests.

1224 (b) Give preference to a vendor based on the vendor's
 1225 social, political, or ideological interests.

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Any solicitation for purchases and leases must include a provision notifying vendors of the provisions of this subsection.

Section 27. For the purpose of incorporating the amendment made by this act to section 17.57, Florida Statutes, in references thereto, subsection (1) of section 17.61, Florida Statutes, is reenacted to read:

17.61 Chief Financial Officer; powers and duties in the investment of certain funds.—

(1) The Chief Financial Officer shall invest all general revenue funds and all the trust funds and all agency funds of each state agency, and of the judicial branch, as defined in s. 216.011, and may, upon request, invest funds of any board, association, or entity created by the State Constitution or by law, except for the funds required to be invested pursuant to ss. 215.44-215.53, by the procedure and in the authorized securities prescribed in s. 17.57; for this purpose, the Chief Financial Officer may open and maintain one or more demand and safekeeping accounts in any bank or savings association for the investment and reinvestment and the purchase, sale, and exchange of funds and securities in the accounts. Funds in such accounts used solely for investments and reinvestments shall be considered investment funds and not funds on deposit, and such funds shall be exempt from the provisions of chapter 280. In

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1251 addition, the securities or investments purchased or held under
 1252 the provisions of this section and s. 17.57 may be loaned to
 1253 securities dealers and banks and may be registered by the Chief
 1254 Financial Officer in the name of a third-party nominee in order
 1255 to facilitate such loans, provided the loan is collateralized by
 1256 cash or United States government securities having a market
 1257 value of at least 100 percent of the market value of the
 1258 securities loaned. The Chief Financial Officer shall keep a
 1259 separate account, designated by name and number, of each fund.
 1260 Individual transactions and totals of all investments, or the
 1261 share belonging to each fund, shall be recorded in the accounts.

1262 Section 28. For the purpose of incorporating the amendment
 1263 made by this act to section 215.47, Florida Statutes, in a
 1264 reference thereto, subsection (3) of section 215.44, Florida
 1265 Statutes, is reenacted to read:

1266 215.44 Board of Administration; powers and duties in
 1267 relation to investment of trust funds.—

1268 (3) Notwithstanding any law to the contrary, all
 1269 investments made by the State Board of Administration pursuant
 1270 to ss. 215.44-215.53 shall be subject to the restrictions and
 1271 limitations contained in s. 215.47, except that investments made
 1272 by the State Board of Administration under a trust agreement
 1273 pursuant to subsection (1) shall be subject only to the
 1274 restrictions and limitations contained in the trust agreement.

1275 Section 29. This act shall take effect July 1, 2023.