

By the Committee on Banking and Insurance; and Senator Grall

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1 A bill to be entitled
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
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

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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
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

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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
76 certain entities, beginning on a specified date;
77 amending s. 280.05, F.S.; requiring the Chief
78 Financial Officer to verify such attestations;
79 requiring the Chief Financial Officer to report
80 materially false attestations to the Attorney General,
81 who is authorized to bring certain civil and
82 administrative actions; providing that if the Attorney
83 General is successful in those proceedings, he or she
84 is entitled to reasonable attorney fees and costs;
85 providing construction; authorizing the Chief
86 Financial Officer to suspend or disqualify a qualified
87 public depository that no longer meets the definition

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88 of that term; amending s. 280.051, F.S.; adding
89 grounds for suspension or disqualification of a
90 qualified public depository; amending s. 280.054,
91 F.S.; providing that failure to timely file a required
92 attestation is deemed a knowing and willful violation;
93 amending s. 280.055, F.S.; adding a circumstance under
94 which the Chief Financial Officer may issue certain
95 orders against a qualified public depository; creating
96 s. 287.05701, F.S.; defining the term "awarding body";
97 prohibiting an awarding body from requesting certain
98 documentation or giving preference to vendors based on
99 their social, political, or ideological interests;
100 requiring that solicitations for the procurement of
101 commodities or contractual services by an awarding
102 body contain a specified notification, beginning on a
103 specified date; creating s. 516.037, F.S.; requiring
104 licensees to make certain determinations based on an
105 analysis of certain risk factors; prohibiting such
106 licensees from engaging in unsafe and unsound
107 practices; providing construction; providing that
108 certain actions on the part of licensees are an unsafe
109 and unsound practice; requiring a specified
110 attestation, under penalty of perjury, from applicants
111 and licensees, beginning on a specified date;
112 providing that a failure to comply with specified
113 requirements or engaging in unsafe and unsound
114 practices constitutes a violation of the Florida
115 Deceptive and Unfair Trade Practices Act, subject to
116 specified sanctions and penalties; providing that only

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117 the enforcing authority can enforce such violations;
118 providing that an enforcing authority that brings a
119 successful action for violations is entitled to
120 reasonable attorney fees and costs; creating s.
121 560.1115, F.S.; requiring licensees to make
122 determinations about the provision or denial of
123 services based on an analysis of certain risk factors;
124 prohibiting the licensees from engaging in unsafe and
125 unsound practices; providing construction; providing
126 that certain actions are an unsafe and unsound
127 practice; requiring a specified attestation, under
128 penalty of perjury, from applicants and licensees,
129 beginning on a specified date; providing that a
130 failure to comply with specified requirements or
131 engaging in unsafe and unsound practices constitutes a
132 violation of the Florida Deceptive and Unfair Trade
133 Practices Act, subject to specified sanctions and
134 penalties; providing that only the enforcing authority
135 can enforce such violations; providing that an
136 enforcing authority that brings a successful action
137 for violations is entitled to reasonable attorney fees
138 and costs; amending s. 560.114, F.S.; revising the
139 actions that constitute grounds for specified
140 disciplinary action of a money services business, an
141 authorized vendor, or an affiliated party; amending s.
142 655.005, F.S.; revising a definition; creating s.
143 655.0323, F.S.; requiring financial institutions to
144 make determinations about the provision or denial of
145 services based on an analysis of specified risk

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146 factors; prohibiting financial institutions from
147 engaging in unsafe and unsound practices; providing
148 construction; providing that certain actions are an
149 unsafe and unsound practice; requiring a specified
150 attestation, under penalty of perjury, from financial
151 institutions annually, beginning on a specified date;
152 providing that engaging in specified actions or
153 failing to provide such attestation constitutes a
154 violation of specified codes, subject to certain
155 sanctions and penalties; providing that a failure to
156 comply with specified requirements or engaging in
157 unsafe and unsound practices constitutes a violation
158 of the Florida Deceptive and Unfair Trade Practices
159 Act, subject to specified sanctions and penalties;
160 providing that only the enforcing authority can
161 enforce such violations; providing that an enforcing
162 authority that brings a successful action for
163 violations is entitled to reasonable attorney fees and
164 costs; prohibiting certain entities from exercising
165 specified authority; amending s. 1010.04, F.S.;
166 prohibiting school districts, Florida College System
167 institutions, and state universities from requesting
168 certain documentation from vendors and giving
169 preference to vendors based on their social,
170 political, or ideological interests; requiring that
171 solicitations for purchases or leases include a
172 specified notice; reenacting s. 17.61(1), F.S.,
173 relating to powers and duties of the Chief Financial
174 Officer in the investment of certain funds, to

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175 incorporate the amendment made to s. 17.57, F.S., in
176 references thereto; reenacting s. 215.44(3), F.S.,
177 relating to the powers and duties of the Board of
178 Administration in the investment of trust funds, to
179 incorporate the amendment made to s. 215.47, F.S., in
180 a reference thereto; providing an effective date.

181

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

183

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

186 17.57 Deposits and investments of state money.—

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

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

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204 that the state may realize maximum earnings and benefits.

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

215 Section 2. Present subsections (4) and (5) of section
216 20.058, Florida Statutes, are redesignated as subsections (5)
217 and (6), respectively, and paragraph (g) is added to subsection
218 (1) and a new subsection (4) is added to that section, to read:

219 20.058 Citizen support and direct-support organizations.—

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

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

227 (4) (a) As used in this section, the term "pecuniary factor"
228 means a factor that the citizen support organization or direct-
229 support organization prudently determines is expected to have a
230 material effect on the risk or returns of an investment based on
231 appropriate investment horizons consistent with applicable
232 investment objectives and funding policy. The term does not

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233 include the consideration of the furtherance of any social,
234 political, or ideological interests.

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

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

247 112.656 Fiduciary duties; certain officials included as
248 fiduciaries.—

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

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

257 112.661 Investment policies.—Investment of the assets of
258 any local retirement system or plan must be consistent with a
259 written investment policy adopted by the board. Such policies
260 shall be structured to maximize the financial return to the
261 retirement system or plan consistent with the risks incumbent in

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262 each investment and shall be structured to establish and
263 maintain an appropriate diversification of the retirement system
264 or plan's assets.

265 (4) INVESTMENT AND FIDUCIARY STANDARDS.—The investment
266 policy shall describe the level of prudence and ethical
267 standards to be followed by the board in carrying out its
268 investment activities with respect to funds described in this
269 section. The board in performing its investment duties shall
270 comply with the fiduciary standards set forth in the Employee
271 Retirement Income Security Act of 1974 at 29 U.S.C. s.
272 1104(a)(1)(A)-(C). Except as provided in s. 112.662, in case of
273 conflict with other provisions of law authorizing investments,
274 the investment and fiduciary standards set forth in this section
275 ~~shall~~ prevail.

276 Section 5. Section 112.662, Florida Statutes, is created to
277 read:

278 112.662 Investments; exercising shareholder rights.—

279 (1) As used in this section, the term "pecuniary factor"
280 means a factor that the plan administrator, named fiduciary,
281 board, or board of trustees prudently determines is expected to
282 have a material effect on the risk or returns of an investment
283 based on appropriate investment horizons consistent with the
284 investment objectives and funding policy of the retirement
285 system or plan. The term does not include the consideration of
286 the furtherance of any social, political, or ideological
287 interests.

288 (2) Notwithstanding any other law, when deciding whether to
289 invest and when investing the assets of any retirement system or
290 plan, only pecuniary factors may be considered and the interests

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291 of the participants and beneficiaries of the system or plan may
292 not be subordinated to other objectives, including sacrificing
293 investment return or undertaking additional investment risk to
294 promote any nonpecuniary factor. The weight given to any
295 pecuniary factor must appropriately reflect a prudent assessment
296 of its impact on risk or returns.

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

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

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

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

319 (b) By January 15, 2024, and by January 15 of each even-

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320 numbered year thereafter, the Department of Management Services
321 shall submit a summary report to the Governor, the Attorney
322 General, the Chief Financial Officer, the President of the
323 Senate, and the Speaker of the House of Representatives that
324 includes a summary of the reports submitted under paragraph (a)
325 and identifies any relevant trends among such systems and plans.

326 (c) The Department of Management Services shall report
327 incidents of noncompliance to the Attorney General, who may
328 institute proceedings to enjoin any person found violating this
329 section. If such action is successful, the Attorney General is
330 entitled to reasonable attorney fees and costs.

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

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

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

339 175.071 General powers and duties of board of trustees.—For
340 any municipality, special fire control district, chapter plan,
341 local law municipality, local law special fire control district,
342 or local law plan under this chapter:

343 (1) The board of trustees, subject to the fiduciary
344 standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
345 Ethics in ss. 112.311-112.3187, and the requirements in s.
346 112.662, may:

347 (a) Invest and reinvest the assets of the firefighters'
348 pension trust fund in annuity and life insurance contracts of

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349 life insurance companies in amounts sufficient to provide, in
350 whole or in part, the benefits to which all of the participants
351 in the firefighters' pension trust fund are entitled under this
352 chapter and pay the initial and subsequent premiums thereon.

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

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

362 2. Obligations of the United States or obligations
363 guaranteed as to principal and interest by the government of the
364 United States.

365 3. Bonds issued by the State of Israel.

366 4. Bonds, stocks, or other evidences of indebtedness issued
367 or guaranteed by a corporation organized under the laws of the
368 United States, any state or organized territory of the United
369 States, or the District of Columbia, if:

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

375 b. The board of trustees may not invest more than 5 percent
376 of its assets in the common stock or capital stock of any one
377 issuing company, nor may the aggregate investment in any one

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378 issuing company exceed 5 percent of the outstanding capital
379 stock of that company or the aggregate of its investments under
380 this subparagraph at cost exceed 50 percent of the assets of the
381 fund.

382

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

404 (c) Issue drafts upon the firefighters' pension trust fund
405 pursuant to this act and rules prescribed by the board of
406 trustees. All such drafts must be consecutively numbered, be

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407 signed by the chair and secretary, or by two individuals
408 designated by the board who are subject to the same fiduciary
409 standards as the board of trustees under this subsection, and
410 state upon their faces the purpose for which the drafts are
411 drawn. The treasurer or depository of each municipality or
412 special fire control district shall retain such drafts when
413 paid, as permanent vouchers for disbursements made, and no money
414 may be otherwise drawn from the fund.

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

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

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

420 185.06 General powers and duties of board of trustees.—For
421 any municipality, chapter plan, local law municipality, or local
422 law plan under this chapter:

423 (1) The board of trustees, subject to the fiduciary
424 standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
425 Ethics in ss. 112.311-112.3187, and the requirements in s.
426 112.662, may:

427 (a) Invest and reinvest the assets of the retirement trust
428 fund in annuity and life insurance contracts of life insurance
429 companies in amounts sufficient to provide, in whole or in part,
430 the benefits to which all of the participants in the municipal
431 police officers' retirement trust fund are entitled under this
432 chapter, and pay the initial and subsequent premiums thereon.

433 (b) Invest and reinvest the assets of the retirement trust
434 fund in:

435 1. Time or savings accounts of a national bank, a state

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436 bank insured by the Bank Insurance Fund, or a savings and loan
437 association insured by the Savings Association Insurance Fund
438 administered by the Federal Deposit Insurance Corporation or a
439 state or federal chartered credit union whose share accounts are
440 insured by the National Credit Union Share Insurance Fund.

441 2. Obligations of the United States or obligations
442 guaranteed as to principal and interest by the United States.

443 3. Bonds issued by the State of Israel.

444 4. Bonds, stocks, or other evidences of indebtedness issued
445 or guaranteed by a corporation organized under the laws of the
446 United States, any state or organized territory of the United
447 States, or the District of Columbia, provided:

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

453 b. The board of trustees may not invest more than 5 percent
454 of its assets in the common stock or capital stock of any one
455 issuing company, nor shall the aggregate investment in any one
456 issuing company exceed 5 percent of the outstanding capital
457 stock of the company or the aggregate of its investments under
458 this subparagraph at cost exceed 50 percent of the fund's
459 assets.

460

461 This paragraph applies to all boards of trustees and
462 participants. However, if a municipality has a duly enacted
463 pension plan pursuant to, and in compliance with, s. 185.35 and
464 the trustees desire to vary the investment procedures, the

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465 trustees of such plan shall request a variance of the investment
466 procedures as outlined herein only through a municipal ordinance
467 or special act of the Legislature; if a special act, or a
468 municipality by ordinance adopted before July 1, 1998, permits a
469 greater than 50-percent equity investment, such municipality is
470 not required to comply with the aggregate equity investment
471 provisions of this paragraph. Notwithstanding any other
472 provision of law, this section may not be construed to take away
473 any preexisting legal authority to make equity investments that
474 exceed the requirements of this paragraph. Notwithstanding any
475 other provision of law, the board of trustees may invest up to
476 25 percent of plan assets in foreign securities on a market-
477 value basis. The investment cap on foreign securities may not be
478 revised, amended, repealed, or increased except as provided by
479 general law.

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

491 (d) Finally decide all claims to relief under the board's
492 rules and regulations and pursuant to the provisions of this
493 act.

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

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

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

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

504 (10) (a) As used in this subsection, the term "pecuniary
505 factor" means a factor that the State Board of Administration
506 prudently determines is expected to have a material effect on
507 the risk or returns of an investment based on appropriate
508 investment horizons consistent with applicable investment
509 objectives and funding policy. The term does not include the
510 consideration of the furtherance of any social, political, or
511 ideological interests.

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

522 (c) Investments made by the State Board of Administration

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523 shall be designed to maximize the financial return to the fund
524 consistent with the risks incumbent in each investment and shall
525 be designed to preserve an appropriate diversification of the
526 portfolio. The board shall discharge its duties with respect to
527 a plan solely in the interest of its participants and
528 beneficiaries. The board in performing the above investment
529 duties shall comply with the fiduciary standards set forth in
530 the Employee Retirement Income Security Act of 1974 at 29 U.S.C.
531 s. 1104(a)(1)(A) through (C). Except as provided in paragraph
532 (b), in case of conflict with other provisions of law
533 authorizing investments, the investment and fiduciary standards
534 set forth in this paragraph ~~subsection shall~~ prevail.

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

537 215.475 Investment policy statement.—

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

551 Section 10. Present paragraphs (b), (c), and (d) of

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552 subsection (1) of section 215.4755, Florida Statutes, are
553 redesignated as paragraphs (c), (d), and (e), respectively, a
554 new paragraph (b) is added to that subsection, and subsection
555 (3) of that section is amended, to read:

556 215.4755 Certification and disclosure requirements for
557 investment advisers and managers.—

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

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

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

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

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

580 (d) If an investment advisor or manager fails to comply

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581 with the fiduciary standard described in paragraph (1)(b) while
582 providing services to the board, the board must report such
583 noncompliance to the Attorney General, who may bring a civil or
584 administrative action for damages, injunctive relief, and such
585 other relief as may be appropriate. If such action is
586 successful, the Attorney General is entitled to reasonable
587 attorney fees and costs.

588 Section 11. Section 215.681, Florida Statutes, is created
589 to read:

590 215.681 ESG bonds; prohibitions.-

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

592 (a) "Bonds" means any note, general obligation bond,
593 revenue bond, special assessment bond, special obligation bond,
594 private activity bond, certificate of participation, or other
595 evidence of indebtedness or obligation, in either temporary or
596 definitive form.

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

598 (c) "ESG bonds" means any bonds that have been designated
599 or labeled as bonds that will be used to finance a project with
600 an ESG purpose, including, but not limited to, green bonds,
601 Certified Climate Bonds, GreenStar designated bonds, and other
602 environmental bonds marketed as promoting a generalized or
603 global environmental objective; social bonds marketed as
604 promoting a social objective; and sustainability bonds and
605 sustainable development goal bonds marketed as promoting both
606 environmental and social objectives. The term includes those
607 bonds self-designated by the issuer as ESG-labeled bonds and
608 those designated as ESG-labeled bonds by a third-party verifier.

609 (d) "Issuer" means the division, acting on behalf of any

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610 entity; any local government, educational entity, or entity of
611 higher education as defined in s. 215.89(2)(c), (d), and (e),
612 respectively, or other political subdivision granted the power
613 to issue bonds; any public body corporate and politic authorized
614 or created by general or special law and granted the power to
615 issue bonds, including, but not limited to, a water and sewer
616 district created under chapter 153, a health facilities
617 authority as defined in s. 154.205, an industrial development
618 authority created under chapter 159, a housing financing
619 authority as defined in s. 159.603(3), a research and
620 development authority as defined in s. 159.702(1)(c), a legal or
621 administrative entity created by interlocal agreement pursuant
622 to s. 163.01(7), a community redevelopment agency as defined in
623 s. 163.340(1), a regional transportation authority created under
624 chapter 163, a community development district as defined in s.
625 190.003, an educational facilities authority as defined in s.
626 243.52(1), the Higher Educational Facilities Financing Authority
627 created under s. 243.53, the Florida Development Finance
628 Corporation created under s. 288.9604, a port district or port
629 authority as defined in s. 315.02(1) and (2), respectively, the
630 South Florida Regional Transportation Authority created under s.
631 343.53, the Central Florida Regional Transportation Authority
632 created under s. 343.63, the Tampa Bay Area Regional Transit
633 Authority created under s. 343.92, the Greater Miami Expressway
634 Agency created under s. 348.0304, the Tampa-Hillsborough County
635 Expressway Authority created under s. 348.52, the Central
636 Florida Expressway Authority created under s. 348.753, the
637 Jacksonville Transportation Authority created under s. 349.03,
638 and the Florida Housing Finance Corporation created under s.

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639 420.504.

640 (e) "Rating agency" means any nationally recognized rating
641 service or nationally recognized statistical rating
642 organization.

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

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

651 (a) Issue ESG bonds.

652 (b) Expend public funds as defined in s. 215.85(3) or use
653 moneys derived from the issuance of bonds to pay for the
654 services of a third-party verifier related to the designation or
655 labeling of bonds as ESG bonds, including, but not limited to,
656 certifying or verifying that bonds may be designated or labeled
657 as ESG bonds, rendering a second-party opinion or producing a
658 verifier's report as to the compliance of proposed ESG bonds
659 with applicable ESG standards and metrics, complying with post-
660 issuance reporting obligations, or other services that are only
661 provided due to the designation or labeling of bonds as ESG
662 bonds.

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

666 (3) Notwithstanding s. 655.0323, a financial institution as
667 defined in s. 655.005(1) may purchase and underwrite bonds

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668 issued by a governmental entity.

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

672 Section 12. Section 215.855, Florida Statutes, is created
673 to read:

674 215.855 Investment manager external communication.—

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

676 (a) "Governmental entity" means a state, regional, county,
677 municipal, special district, or other political subdivision
678 whether executive, judicial, or legislative, including, but not
679 limited to, a department, division, board, bureau, commission,
680 authority, district, or agency thereof, or a public school,
681 Florida College System institution, state university, or
682 associated board.

683 (b) "Investment manager" means a private sector company
684 that offers one or more investment products or services to a
685 governmental entity and that has the discretionary investment
686 authority for direct holdings.

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

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

693 (a) That any written communication made by the investment
694 manager to a company in which such manager invests public funds
695 on behalf of a governmental entity must include the following
696 disclaimer in a conspicuous location if such communication

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697 discusses social, political, or ideological interests;
698 subordinates the interests of the company's shareholders to the
699 interest of another entity; or advocates for the interest of an
700 entity other than the company's shareholders:

701
702 The views and opinions expressed in this communication are those
703 of the sender and do not reflect the views and opinions of the
704 people of the State of Florida.

705
706 (b) That the contract may be unilaterally terminated at the
707 option of the governmental entity if the investment manager does
708 not include the disclaimer required in paragraph (a).

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

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

714 218.415 Local government investment policies.—Investment
715 activity by a unit of local government must be consistent with a
716 written investment plan adopted by the governing body, or in the
717 absence of the existence of a governing body, the respective
718 principal officer of the unit of local government and maintained
719 by the unit of local government or, in the alternative, such
720 activity must be conducted in accordance with subsection (17).
721 Any such unit of local government shall have an investment
722 policy for any public funds in excess of the amounts needed to
723 meet current expenses as provided in subsections (1)-(16), or
724 shall meet the alternative investment guidelines contained in
725 subsection (17). Such policies shall be structured to place the

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726 highest priority on the safety of principal and liquidity of
727 funds. The optimization of investment returns shall be secondary
728 to the requirements for safety and liquidity. Each unit of local
729 government shall adopt policies that are commensurate with the
730 nature and size of the public funds within its custody.

731 (24) INVESTMENT DECISIONS.—

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

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

751 Section 14. Present paragraphs (e) and (f) of subsection
752 (26) of section 280.02, Florida Statutes, are redesignated as
753 paragraphs (g) and (h), respectively, and new paragraphs (e) and
754 (f) are added to that subsection, to read:

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755 280.02 Definitions.—As used in this chapter, the term:

756 (26) “Qualified public depository” means a bank, savings
757 bank, or savings association that:

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

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

770 1. The person’s political opinions, speech, or
771 affiliations;

772 2. Except as provided in paragraph (e), the person’s
773 religious beliefs, religious exercise, or religious
774 affiliations;

775 3. Any factor if it is not a quantitative, impartial, and
776 risk-based standard, including any such factor related to the
777 person’s business sector; or

778 4. The use of any rating, scoring, analysis, tabulation, or
779 action that considers a social credit score based on factors
780 including, but not limited to:

781 a. The person’s political opinions, speech, or
782 affiliations.

783 b. The person’s religious beliefs, religious exercise, or

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784 religious affiliations.

785 c. The person's lawful ownership of a firearm.

786 d. The person's engagement in the lawful manufacture,
787 distribution, sale, purchase, or use of firearms or ammunition.

788 e. The person's engagement in the exploration, production,
789 utilization, transportation, sale, or manufacture of fossil
790 fuel-based energy, timber, mining, or agriculture.

791 f. The person's support of the state or Federal Government
792 in combatting illegal immigration, drug trafficking, or human
793 trafficking.

794 g. The person's engagement with, facilitation of,
795 employment by, support of, business relationship with,
796 representation of, or advocacy for any person described in this
797 subparagraph.

798 h. The person's failure to meet or commit to meet, or
799 expected failure to meet, any of the following as long as such
800 person is in compliance with applicable state or federal law:

801 (I) Environmental standards, including emissions standards,
802 benchmarks, requirements, or disclosures;

803 (II) Social governance standards, benchmarks, or
804 requirements, including, but not limited to, environmental or
805 social justice;

806 (III) Corporate board or company employment composition
807 standards, benchmarks, requirements, or disclosures based on
808 characteristics protected under the Florida Civil Rights Act of
809 1992; or

810 (IV) Policies or procedures requiring or encouraging
811 employee participation in social justice programming, including,
812 but not limited to, diversity, equity, or inclusion training.

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813 Section 15. Section 280.025, Florida Statutes, is created
814 to read:

815 280.025 Attestation required.—

816 (1) Beginning July 1, 2023, the following entities must
817 attest, under penalty of perjury, on a form prescribed by the
818 Chief Financial Officer, whether the entity is in compliance
819 with s. 280.02(26) (e) and (f):

820 (a) A bank, savings bank, or savings association, upon
821 application or reapplication for designation as a qualified
822 public depository.

823 (b) A qualified public depository, upon filing the report
824 required by s. 280.16(1) (d).

825 (2) If an application or reapplication for designation as a
826 qualified public depository is pending on July 1, 2023, the
827 bank, savings bank, or savings association must file the
828 attestation required under subsection (1) before being
829 designated or redesignated a qualified public depository.

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

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

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

839 (d)1. Any related documents, reports, records, or other
840 information deemed necessary by the Chief Financial Officer in
841 order to ascertain compliance with this chapter, including, but

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842 not limited to, verifying the attestation required under s.
843 280.025.

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

851 3. As related to federally chartered financial
852 institutions, this paragraph may not be construed to create a
853 power exceeding the visitorial powers of the Chief Financial
854 Officer allowed under federal law.

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

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

869 (b) In lieu of suspension or disqualification, impose an
870 administrative penalty upon the qualified public depository as

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871 provided in s. 280.054.

872 (c) If the Chief Financial Officer has reason to believe
873 that any qualified public depository or any other financial
874 institution holding public deposits is or has been violating ~~any~~
875 ~~of the provisions of~~ this chapter or ~~of~~ rules adopted hereunder
876 or no longer meets the definition of a qualified public
877 depository under s. 280.02, he or she may issue to the qualified
878 public depository or other financial institution an order to
879 cease and desist from the violation or to correct the condition
880 giving rise to or resulting from the violation. If any qualified
881 public depository or other financial institution violates a
882 cease-and-desist or corrective order, the Chief Financial
883 Officer may impose an administrative penalty upon the qualified
884 public depository or other financial institution as provided in
885 s. 280.054 or s. 280.055. In addition to the administrative
886 penalty, the Chief Financial Officer may suspend or disqualify
887 any qualified public depository for violation of any order
888 issued pursuant to this paragraph.

889 Section 17. Subsections (14) and (15) are added to section
890 280.051, Florida Statutes, to read:

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

895 (14) Failed to file the attestation required under s.
896 280.025.

897 (15) No longer meets the definition of a qualified public
898 depository under s. 280.02.

899 Section 18. Paragraph (b) of subsection (1) of section

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900 280.054, Florida Statutes, is amended to read:

901 280.054 Administrative penalty in lieu of suspension or
902 disqualification.—

903 (1) If the Chief Financial Officer finds that one or more
904 grounds exist for the suspension or disqualification of a
905 qualified public depository, the Chief Financial Officer may, in
906 lieu of suspension or disqualification, impose an administrative
907 penalty upon the qualified public depository.

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

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

921 280.055 Cease and desist order; corrective order;
922 administrative penalty.—

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

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

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929 trustee for each issue of registered certificated securities
930 pledged and registered in the name, or nominee name, of the
931 qualified public depository or custodian; ~~or~~

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

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

940 Section 20. Section 287.05701, Florida Statutes, is created
941 to read:

942 287.05701 Prohibition against considering social,
943 political, or ideological interests in government contracting.-

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

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

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

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

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

956 (3) Beginning July 1, 2023, any solicitation for the
957 procurement of commodities or contractual services by an

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958 awarding body must include a provision notifying vendors of the
959 provisions of this section.

960 Section 21. Section 516.037, Florida Statutes, is created
961 to read:

962 516.037 Unsafe and unsound practices.—

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

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

975 (a) The person's political opinions, speech, or
976 affiliations;

977 (b) Except as provided in subsection (1), the person's
978 religious beliefs, religious exercise, or religious
979 affiliations;

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

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

986 1. The person's political opinions, speech, or

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987 affiliations.

988 2. The person's religious beliefs, religious exercise, or
989 religious affiliations.

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

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

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

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

999 7. The person's engagement with, facilitation of,
1000 employment by, support of, business relationship with,
1001 representation of, or advocacy for any person described in this
1002 paragraph.

1003 8. The person's failure to meet or commit to meet, or
1004 expected failure to meet, any of the following as long as such
1005 person is in compliance with applicable state or federal law:

1006 a. Environmental standards, including emissions standards,
1007 benchmarks, requirements, or disclosures;

1008 b. Social governance standards, benchmarks, or
1009 requirements, including, but not limited to, environmental or
1010 social justice;

1011 c. Corporate board or company employment composition
1012 standards, benchmarks, requirements, or disclosures based on
1013 characteristics protected under the Florida Civil Rights Act of
1014 1992; or

1015 d. Policies or procedures requiring or encouraging employee

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1016 participation in social justice programming, including, but not
1017 limited to, diversity, equity, or inclusion training.

1018 (3) Beginning July 1, 2023, and upon application for a
1019 license or license renewal, applicants and licensees must
1020 attest, under penalty of perjury, on a form prescribed by the
1021 commission whether the applicant or licensee is acting in
1022 compliance with subsections (1) and (2).

1023 (4) In addition to any sanctions and penalties under this
1024 chapter, a failure to comply with subsection (1) or engaging in
1025 a practice described in subsection (2) constitutes a violation
1026 of the Florida Deceptive and Unfair Trade Practices Act under
1027 part II of chapter 501. Notwithstanding s. 501.211, violations
1028 must be enforced only by the enforcing authority, as defined in
1029 s. 501.203(2), and subject the violator to the sanctions and
1030 penalties provided for in that part. If such action is
1031 successful, the enforcing authority is entitled to reasonable
1032 attorney fees and costs.

1033 Section 22. Section 560.1115, Florida Statutes, is created
1034 to read:

1035 560.1115 Unsafe and unsound practices.—

1036 (1) Licensees must make determinations about the provision
1037 or denial of services based on an analysis of risk factors
1038 unique to each current or prospective customer and may not
1039 engage in an unsafe and unsound practice as provided in
1040 subsection (2). This subsection does not restrict a licensee
1041 that claims a religious purpose from making such determinations
1042 based on the current or prospective customer's religious
1043 beliefs, religious exercise, or religious affiliations.

1044 (2) It is an unsafe and unsound practice for a licensee to

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1045 deny or cancel its services to a person, or to otherwise
1046 discriminate against a person in making available such services
1047 or in the terms or conditions of such services, on the basis of:

1048 (a) The person's political opinions, speech, or
1049 affiliations;

1050 (b) Except as provided in subsection (1), the person's
1051 religious beliefs, religious exercise, or religious
1052 affiliations;

1053 (c) Any factor if it is not a quantitative, impartial, and
1054 risk-based standard, including any such factor related to the
1055 person's business sector; or

1056 (d) The use of any rating, scoring, analysis, tabulation,
1057 or action that considers a social credit score based on factors
1058 including, but not limited to:

1059 1. The person's political opinions, speech, or
1060 affiliations.

1061 2. The person's religious beliefs, religious exercise, or
1062 religious affiliations.

1063 3. The person's lawful ownership of a firearm.

1064 4. The person's engagement in the lawful manufacture,
1065 distribution, sale, purchase, or use of firearms or ammunition.

1066 5. The person's engagement in the exploration, production,
1067 utilization, transportation, sale, or manufacture of fossil
1068 fuel-based energy, timber, mining, or agriculture.

1069 6. The person's support of the state or Federal Government
1070 in combatting illegal immigration, drug trafficking, or human
1071 trafficking.

1072 7. The person's engagement with, facilitation of,
1073 employment by, support of, business relationship with,

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1074 representation of, or advocacy for any person described in this
1075 paragraph.

1076 8. The person's failure to meet or commit to meet, or
1077 expected failure to meet, any of the following as long as such
1078 person is in compliance with applicable state or federal law:

1079 a. Environmental standards, including emissions standards,
1080 benchmarks, requirements, or disclosures;

1081 b. Social governance standards, benchmarks, or
1082 requirements, including, but not limited to, environmental or
1083 social justice;

1084 c. Corporate board or company employment composition
1085 standards, benchmarks, requirements, or disclosures based on
1086 characteristics protected under the Florida Civil Rights Act of
1087 1992; or

1088 d. Policies or procedures requiring or encouraging employee
1089 participation in social justice programming, including, but not
1090 limited to, diversity, equity, or inclusion training.

1091 (3) Beginning July 1, 2023, and upon application for a
1092 license or license renewal, applicants and licensees, as
1093 applicable, must attest, under penalty of perjury, on a form
1094 prescribed by the commission whether the applicant or licensee
1095 is acting in compliance with subsections (1) and (2).

1096 (4) In addition to any sanctions and penalties under this
1097 chapter, a failure to comply with subsection (1) or engaging in
1098 a practice described in subsection (2) constitutes a violation
1099 of the Florida Deceptive and Unfair Trade Practices Act under
1100 part II of chapter 501. Notwithstanding s. 501.211, violations
1101 must be enforced only by the enforcing authority, as defined in
1102 s. 501.203(2), and subject the violator to the sanctions and

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1103 penalties provided for in that part. If such action is
1104 successful, the enforcing authority is entitled to reasonable
1105 attorney fees and costs.

1106 Section 23. Paragraph (h) of subsection (1) of section
1107 560.114, Florida Statutes, is amended to read:

1108 560.114 Disciplinary actions; penalties.—

1109 (1) The following actions by a money services business,
1110 authorized vendor, or affiliated party constitute grounds for
1111 the issuance of a cease and desist order; the issuance of a
1112 removal order; the denial, suspension, or revocation of a
1113 license; or taking any other action within the authority of the
1114 office pursuant to this chapter:

1115 (h) Engaging in an act prohibited under s. 560.111 or s.
1116 560.1115.

1117 Section 24. Paragraph (y) of subsection (1) of section
1118 655.005, Florida Statutes, is amended to read:

1119 655.005 Definitions.—

1120 (1) As used in the financial institutions codes, unless the
1121 context otherwise requires, the term:

1122 (y) "Unsafe or unsound practice" or "unsafe and unsound
1123 practice" means:

1124 1. Any practice or conduct found by the office to be
1125 contrary to generally accepted standards applicable to a
1126 financial institution, or a violation of any prior agreement in
1127 writing or order of a state or federal regulatory agency, which
1128 practice, conduct, or violation creates the likelihood of loss,
1129 insolvency, or dissipation of assets or otherwise prejudices the
1130 interest of the financial institution or its depositors or
1131 members. In making this determination, the office must consider

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1132 the size and condition of the financial institution, the gravity
1133 of the violation, and the prior conduct of the person or
1134 institution involved; or

1135 2. Failure to comply with s. 655.0323(1), or engaging in a
1136 practice described in s. 655.0323(2).

1137 Section 25. Section 655.0323, Florida Statutes, is created
1138 to read:

1139 655.0323 Unsafe and unsound practices.-

1140 (1) Financial institutions must make determinations about
1141 the provision or denial of services based on an analysis of risk
1142 factors unique to each current or prospective customer or member
1143 and may not engage in an unsafe and unsound practice as provided
1144 in subsection (2). This subsection does not restrict a financial
1145 institution that claims a religious purpose from making such
1146 determinations based on the current or prospective customer's or
1147 member's religious beliefs, religious exercise, or religious
1148 affiliations.

1149 (2) It is an unsafe and unsound practice for a financial
1150 institution to deny or cancel its services to a person, or to
1151 otherwise discriminate against a person in making available such
1152 services or in the terms or conditions of such services, on the
1153 basis of:

1154 (a) The person's political opinions, speech, or
1155 affiliations;

1156 (b) Except as provided in subsection (1), the person's
1157 religious beliefs, religious exercise, or religious
1158 affiliations;

1159 (c) Any factor if it is not a quantitative, impartial, and
1160 risk-based standard, including any such factor related to the

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1161 person's business sector; or
1162 (d) The use of any rating, scoring, analysis, tabulation,
1163 or action that considers a social credit score based on factors
1164 including, but not limited to:
1165 1. The person's political opinions, speech, or
1166 affiliations.
1167 2. The person's religious beliefs, religious exercise, or
1168 religious affiliations.
1169 3. The person's lawful ownership of a firearm.
1170 4. The person's engagement in the lawful manufacture,
1171 distribution, sale, purchase, or use of firearms or ammunition.
1172 5. The person's engagement in the exploration, production,
1173 utilization, transportation, sale, or manufacture of fossil
1174 fuel-based energy, timber, mining, or agriculture.
1175 6. The person's support of the state or Federal Government
1176 in combatting illegal immigration, drug trafficking, or human
1177 trafficking.
1178 7. The person's engagement with, facilitation of,
1179 employment by, support of, business relationship with,
1180 representation of, or advocacy for any person described in this
1181 paragraph.
1182 8. The person's failure to meet or commit to meet, or
1183 expected failure to meet, any of the following as long as such
1184 person is in compliance with applicable state or federal law:
1185 a. Environmental standards, including emissions standards,
1186 benchmarks, requirements, or disclosures;
1187 b. Social governance standards, benchmarks, or
1188 requirements, including, but not limited to, environmental or
1189 social justice;

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1190 c. Corporate board or company employment composition
1191 standards, benchmarks, requirements, or disclosures based on
1192 characteristics protected under the Florida Civil Rights Act of
1193 1992; or

1194 d. Policies or procedures requiring or encouraging employee
1195 participation in social justice programming, including, but not
1196 limited to, diversity, equity, or inclusion training.

1197 (3) Beginning July 1, 2023, and by July 1 of each year
1198 thereafter, financial institutions subject to the financial
1199 institutions codes must attest, under penalty of perjury, on a
1200 form prescribed by the commission whether the entity is acting
1201 in compliance with subsections (1) and (2).

1202 (4) Engaging in a practice described in subsection (2) or
1203 failing to timely provide the attestation under subsection (3)
1204 is a failure to comply with this chapter, constitutes a
1205 violation of the financial institutions codes, and is subject to
1206 the applicable sanctions and penalties provided for in the
1207 financial institutions codes.

1208 (5) Notwithstanding ss. 501.211 and 501.212, a failure to
1209 comply with subsection (1) or engaging in a practice described
1210 in subsection (2) constitutes a violation of the Florida
1211 Deceptive and Unfair Trade Practices Act under part II of
1212 chapter 501. Violations must be enforced only by the enforcing
1213 authority, as defined in s. 501.203(2), and subject the violator
1214 to the sanctions and penalties provided for in that part. If
1215 such action is successful, the enforcing authority is entitled
1216 to reasonable attorney fees and costs.

1217 (6) The office and the commission may not exercise
1218 authority pursuant to s. 655.061 in relation to this section.

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1219 Section 26. Subsection (5) is added to section 1010.04,
1220 Florida Statutes, to read:

1221 1010.04 Purchasing.—

1222 (5) Beginning July 1, 2023, school districts, Florida
1223 College System institutions, and state universities may not:

1224 (a) Request documentation of or consider a vendor's social,
1225 political, or ideological interests.

1226 (b) Give preference to a vendor based on the vendor's
1227 social, political, or ideological interests.

1228

1229 Any solicitation for purchases and leases must include a
1230 provision notifying vendors of the provisions of this
1231 subsection.

1232 Section 27. For the purpose of incorporating the amendment
1233 made by this act to section 17.57, Florida Statutes, in
1234 references thereto, subsection (1) of section 17.61, Florida
1235 Statutes, is reenacted to read:

1236 17.61 Chief Financial Officer; powers and duties in the
1237 investment of certain funds.—

1238 (1) The Chief Financial Officer shall invest all general
1239 revenue funds and all the trust funds and all agency funds of
1240 each state agency, and of the judicial branch, as defined in s.
1241 216.011, and may, upon request, invest funds of any board,
1242 association, or entity created by the State Constitution or by
1243 law, except for the funds required to be invested pursuant to
1244 ss. 215.44-215.53, by the procedure and in the authorized
1245 securities prescribed in s. 17.57; for this purpose, the Chief
1246 Financial Officer may open and maintain one or more demand and
1247 safekeeping accounts in any bank or savings association for the

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1248 investment and reinvestment and the purchase, sale, and exchange
1249 of funds and securities in the accounts. Funds in such accounts
1250 used solely for investments and reinvestments shall be
1251 considered investment funds and not funds on deposit, and such
1252 funds shall be exempt from the provisions of chapter 280. In
1253 addition, the securities or investments purchased or held under
1254 the provisions of this section and s. 17.57 may be loaned to
1255 securities dealers and banks and may be registered by the Chief
1256 Financial Officer in the name of a third-party nominee in order
1257 to facilitate such loans, provided the loan is collateralized by
1258 cash or United States government securities having a market
1259 value of at least 100 percent of the market value of the
1260 securities loaned. The Chief Financial Officer shall keep a
1261 separate account, designated by name and number, of each fund.
1262 Individual transactions and totals of all investments, or the
1263 share belonging to each fund, shall be recorded in the accounts.

1264 Section 28. For the purpose of incorporating the amendment
1265 made by this act to section 215.47, Florida Statutes, in a
1266 reference thereto, subsection (3) of section 215.44, Florida
1267 Statutes, is reenacted to read:

1268 215.44 Board of Administration; powers and duties in
1269 relation to investment of trust funds.—

1270 (3) Notwithstanding any law to the contrary, all
1271 investments made by the State Board of Administration pursuant
1272 to ss. 215.44-215.53 shall be subject to the restrictions and
1273 limitations contained in s. 215.47, except that investments made
1274 by the State Board of Administration under a trust agreement
1275 pursuant to subsection (1) shall be subject only to the
1276 restrictions and limitations contained in the trust agreement.

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