

House Bill No. 1841

An act relating to the Budget Stabilization Fund; amending s. 216.222, F.S.; providing for transferring of funds from the Budget Stabilization Fund to the State Risk Management Trust Fund for emergencies relating to certain property losses incurred by the state; specifying conditions of such an emergency; providing certain limitations on such transfers; amending s. 215.18, F.S.; conforming a cross reference; providing an effective date.

WHEREAS, the Division of Risk Management provides property insurance coverage for all agencies within the executive, legislative, and judicial branches of state government, and

WHEREAS, the state has historically retained losses of up to \$2 million per occurrence, \$5 million annual aggregate, and has obtained excess property insurance for higher amounts, and

WHEREAS, claims historically have seldom exceeded that retention level, and

WHEREAS, insurance coverage above the retained amount and up to \$40 million costs approximately \$8.6 million for coverage for the 2002-2003 fiscal year, and

WHEREAS, excess property insurance with an annual aggregate retention of \$40 million is readily obtainable and more reasonably priced such that it is in the best interest of the state to purchase insurance coverage for losses exceeding the \$40 million aggregate retention level, and

WHEREAS, it appears financially prudent to provide an alternative mechanism for paying unanticipated losses of up to \$40 million annual aggregate retention, and

WHEREAS, the Legislature further finds that property losses in excess of the coverage historically retained by the state constitute an unanticipated financial need, and

WHEREAS, an unanticipated financial need that the Legislature has found must be funded to serve the essential state responsibility of maintaining state buildings constitutes an emergency, and

WHEREAS, it would be appropriate to use moneys from the Budget Stabilization Fund to cover such an emergency, NOW, THEREFORE,

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

Section 1. Section 216.222, Florida Statutes, is amended to read:

216.222 Budget Stabilization Fund; criteria for withdrawing moneys.—

(1) Moneys in the Budget Stabilization Fund may be transferred to the General Revenue Fund for:

~~(1)(a)1.~~ Offsetting a deficit in the General Revenue Fund. A deficit is deemed to occur when the official estimate of funds available in the General Revenue Fund for a fiscal year falls below the total amount appropriated from the General Revenue Fund for that fiscal year. Such a transfer must be made pursuant to s. 216.221, or pursuant to an appropriation by law.

~~2.(b)~~ Notwithstanding the requirements of s. 216.221, if, after consultation with the Revenue Estimating Conference, the Chief Financial Officer believes that a deficit will occur in the General Revenue Fund and if:

~~a.1.~~ Fewer than 30 but more than 4 days are left in the fiscal year, the Legislature is not in session, and neither the Legislature nor the Legislative Budget Commission is scheduled to meet before the end of the fiscal year, or

~~b.2.~~ Fewer than 5 days are left in the fiscal year and the Governor and the Chief Justice, the Legislature, or the Legislative Budget Commission have not implemented measures to resolve the deficit,

the Chief Financial Officer shall certify the deficit to the Governor, the Chief Justice, the President of the Senate, and the Speaker of the House of Representatives, and may thereafter withdraw funds from the Budget Stabilization Fund to offset the projected deficit in the General Revenue Fund. The Chief Financial Officer shall consult with the Governor and the chair and vice chair of the Legislative Budget Commission before any funds may be withdrawn from the Budget Stabilization Fund. At the beginning of the next fiscal year, the Chief Financial Officer shall promptly determine the General Revenue Fund balance to be carried forward. The Chief Financial Officer shall immediately repay the Budget Stabilization Fund for the withdrawn amount, up to the amount of the balance. If the General Revenue Fund balance carried forward is not sufficient to fully repay the Budget Stabilization Fund, the repayment of the remainder of the withdrawn funds shall be as provided in s. 215.32(2)(c)3.

~~(b)(2)~~ Providing funding for an emergency as defined in s. 252.34. The emergency must have been declared by the Governor pursuant to s. 252.36 or declared by law. Such a transfer must be made pursuant to s. 252.37, subject to the conditions in that section, or pursuant to an appropriation by law.

~~(c)(3)~~ Providing temporary transfers to the General Revenue Fund pursuant to s. 215.18.

(2)(a) Moneys in the Budget Stabilization Fund may be transferred to the State Risk Management Trust Fund to provide funding for an emergency. For purposes of this subsection, an emergency exists when uninsured losses to state property exceed \$2 million per occurrence or \$5 million annual aggregate, as this constitutes an unanticipated financial need that the Legislature has found must be funded to serve an essential state responsibility.

(b) At such time that the Division of Risk Management certifies that uninsured property losses exceed \$2 million per occurrence or \$5 million annual aggregate, the division shall request a budget amendment through the procedures set out in s. 216.181. Transfers into the State Risk Management Trust Fund pursuant to this paragraph may not exceed \$38 million in any fiscal year.

Section 2. Section 215.18, Florida Statutes, is amended to read:

215.18 Transfers between funds; limitation.—Whenever there exists in any fund provided for by s. 215.32 a deficiency which would render such fund insufficient to meet its just requirements, and there shall exist in the other funds in the State Treasury moneys which are for the time being or otherwise in excess of the amounts necessary to meet the just requirements of such last-mentioned funds, the Governor may order a temporary transfer of moneys from one fund to another in order to meet temporary deficiencies in a particular fund without resorting to the necessity of borrowing money and paying interest thereon. Except as otherwise provided in s. 216.222(1)(a)~~2~~(b), the fund from which any money is temporarily transferred shall be repaid the amount transferred from it not later than the end of the fiscal year in which such transfer is made, the date of repayment to be specified in the order of the Governor.

Section 3. This act shall take effect July 1, 2004.

Approved by the Governor May 25, 2004.

Filed in Office Secretary of State May 25, 2004.