

Committee Substitute for Senate Bill No. 2310

An act relating to stimulating the economy; providing legislative findings and intent; amending s. 215.44, F.S.; requiring the State Board of Administration to report on the amount and type of technology and growth investments held by each fund; amending s. 215.47, F.S.; authorizing the board to invest a certain percentage of net assets in technology and growth investments; providing definitions; increasing the percentage amount of alternative investments in any fund, including investments that are not publicly traded or specifically authorized; authorizing the board to offer opportunities to small state-based investment management firms; creating s. 215.474, F.S.; requiring the Office of Program Policy Analysis and Government Accountability to perform an annual review of certain technology and growth investments made by the board and report to the Legislature; creating the Reusable Space Vehicle Industry Prize Program within the Office of Tourism, Trade, and Economic Development of the Executive Office of the Governor; providing for a specified cash prize to be awarded to the individual or firm providing the most significant advancements within the reusable space vehicle industry during a specified period; requiring that the Lieutenant Governor serve as chair of the program and appoint a committee; requiring that the committee perform certain tasks; requiring that the office adopt certain rules; providing for the program to terminate on a specified date; providing an effective date.

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

Section 1. The Legislature finds that financially prudent technology and growth investments by the State Board of Administration with funds from the Florida Retirement System Trust Fund have the potential for high-growth, high-wage jobs that will provide significant benefits to state residents and a variety of business sectors. The Legislature further finds that such investments will create jobs and housing, improve the state's general infrastructure, and serve the broad interests of the beneficiaries of the trust fund. The Legislature also finds that technology and growth investments help promote employer contributions to the system by strengthening the economy and the well-being of employers. Therefore, it is a policy of this state that the State Board of Administration identify and invest in technology and growth investments if such investments are consistent with and do not compromise or conflict with the fiduciary duties of the State Board of Administration to the participants, members, and beneficiaries of the Florida Retirement System.

Section 2. Subsection (5) of section 215.44, Florida Statutes, is amended to read:

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

(5) On or before January 1 of each year, the board shall provide to the Legislature a report including the following items for each fund which, by law, has been entrusted to the board for investment:

(a) A schedule of the annual beginning and ending asset values and changes and sources of changes in the asset value of:

1. Each fund managed by the board; and
2. Each asset class and portfolio within the Florida Retirement System Trust Fund.;

(b) A description of the investment policy for each fund, and changes in investment policy for each fund since the previous annual report.;

(c) A description of compliance with investment strategy for each fund.;

(d) A description of the risks inherent in investing in financial instruments of the major asset classes held in the fund.;

(e) A summary of the type and amount of technology and growth investments held by each fund.

~~(f)~~(e) Other information deemed of interest by the executive director of the board.

Section 3. Present subsections (7) through (17) of section 215.47, Florida Statutes, are renumbered as subsections (8) through (18), respectively, new subsections (7) and (19) are added to that section, and present subsection (14) of that section is amended, to read:

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

(7) The State Board of Administration, consistent with its fiduciary duties, may invest up to 1.5 percent of the net assets of the system trust fund in technology and growth investments of businesses domiciled in this state or businesses whose principal address is in this state. As used in this subsection, the term “technology and growth investments” includes, but is not limited to, space technology, aerospace and aviation engineering, computer technology, renewable energy, and medical and life sciences. For the purposes of this chapter, “life sciences” means the use of information technology, engineering, and biological and chemical sciences for the development and production of goods and services, including, but not limited to, drug development, medical implants and devices, bio-related diagnostic products, bio-agriculture technologies, biosecurity, biofuels, and bio-related applications.

(15)(14) With no more, in the aggregate, than 10 5 percent of any fund in alternative investments, as defined in s. 215.44(8)(c)1.a., through participation in the vehicles defined in s. 215.44(8)(c)1.b., or in securities or investments that are not publicly traded and are not otherwise authorized by this section.

(19) The State Board of Administration may offer opportunities to small, state-based investment management firms to facilitate their development and growth.

Section 4. Section 215.474, Florida Statutes, is created to read:

215.474 Analyses of technology and growth investments.—The Office of Program Policy Analysis and Government Accountability shall perform an annual review of technology and growth investments made in Florida-based companies by the State Board of Administration and submit its findings to the State Board of Administration, the President of the Senate, and the Speaker of the House of Representatives by January 15 of each year. The office may consult with the board, the Department of Revenue, the Office of Economic and Demographic Research, and other entities as necessary to obtain and evaluate the information requested. The annual review shall include:

(1) The dollar amount of technology and growth investments in the state made by the board during the previous year ending June 30 and the investment's percentage share of the system trust fund's net assets.

(2) A list of investments in the state identified by the board as technology and growth investments within each asset class.

(3) An analysis of the direct and indirect economic benefits to the state resulting from the technology and growth investments.

Section 5. Reusable Space Vehicle Industry Prize Program.—

(1) The Legislature finds that awarding a prize for achieving a specific goal stimulates entrepreneurial investment in the state, which ultimately produces a significant monetary return on the prize purse as well as considerable social benefit.

(2) There is created within the Office of Tourism, Trade, and Economic Development of the Executive Office of the Governor a Reusable Space Vehicle Industry Prize Program.

(3) The program shall award a one-time cash prize in the amount of \$40 million, including \$20 million in state funds and \$20 million in funds provided by private sponsors, to the firm or individual in the private sector providing the most significant advancements within the reusable space vehicle industry during the period beginning January 1, 2009, and ending January 1, 2014.

(4) The Lieutenant Governor of Florida shall serve as chair of the program and appoint a committee for the purpose of establishing or adopting an application form, criteria for awarding the prize, and any other rules or guidelines related to the entry, judging, administration, or results of the program. The application and all other information shall be posted on the website of the Office of Tourism, Trade, and Economic Development on or before January 1, 2009.

(5) The structure and operation of the program shall, to the extent practicable, mirror the Ansari X Prize program awarded by the X PRIZE FOUNDATION on November 6, 2004.

(6) The Office of Tourism, Trade, and Economic Development shall adopt rules necessary to administer the program.

(7) The program shall terminate January 2, 2014.

Section 6. This act shall take effect July 1, 2008.

Approved by the Governor May 21, 2008.

Filed in Office Secretary of State May 21, 2008.