

CHAPTER 2019-181

House Bill No. 1323

An act relating to City of Tampa, Hillsborough County; amending ch. 23559, Laws of Florida (1945), as amended; providing that investments of the fund be consistent with specified written investment policy adopted by the board of trustees; requiring the board to exercise the judgment and care when making such investments; revising investment policy provisions to conform with general law; providing an effective date.

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

Section 1. Section 6 of chapter 23559, Laws of Florida (1945), as amended by chapters 2013-253, 2011-239, and 2006-346, Laws of Florida, is amended to read:

Section 6. Administration. The administration of this fund shall be in charge of a pension or retirement board, consisting of seven members who shall be designated as trustees of the pension or retirement fund (“board of trustees”). Three members of this board shall be appointed by the Mayor or Executive Head of the City of Tampa. Three members of this board shall be employees participating in this fund elected by the members of the fund. However, not more than one employee member shall be elected from the same department of the employer. In the event that two or more candidates from the same department should receive sufficient number of votes for election, then only the candidate receiving the highest number of votes among the candidates from the same department shall be elected. The director of finance shall be the seventh member of this board. The three members of this board to be appointed by the mayor or executive head of the city, shall be appointed immediately after the passage of this act, and they shall qualify within 30 days thereafter. One member appointed by the mayor or executive head of the city shall serve for a period of 3 years, one member for a period of 2 years, and one member for a period of 1 year. Three members of this board shall be elected by the employees who are beneficiaries of this fund. One member elected shall serve for a period of 3 years, one member for a period of 2 years, and one member for a period of 1 year. At the expiration of the term of office of each member appointed, the mayor or executive head of the city shall appoint his or her successor to serve for a term of 3 years. Thirty days prior to the expiration of the term of office of each member elected, a successor shall be elected by the employees and shall take office upon the expiration of his or her predecessor’s term and shall serve for a term of 3 years. Vacancies on the pension or retirement board before the expiration of the term of office shall be filled in the same manner as prescribed for members replacing those whose term of office expires for the period of the unexpired time. The board shall have the power to adopt and prescribe reasonable rules, regulations, and orders necessary and proper for effective administration and enforcement of this act and for the election of trustees. The director of finance of the city shall be the treasurer of the board

and he or she shall give bond as may be prescribed by the board. The city attorney shall be the legal advisor of the board. The compensation of all persons engaged by the city for the board of trustees and all other expenses of the board of trustees necessary for the administration of the plan shall be paid out of the fund at such rates and in such amounts as the board of trustees shall approve, but in no case shall the expenditures for such compensation and administration exceed .5 percent of the maximum of the fund each fiscal year. The funds shall be managed by said trustees and shall be invested by the trustees in accordance with the following:

(A) That the investments of the fund shall be consistent with a written investment policy adopted by the board of trustees pursuant to s. 112.661, Florida Statutes, and subject to the provisions in s. 215.47, Florida Statutes. In making each and all of such investments, the board of trustees shall exercise the judgment and care under the circumstances then prevailing that men or women of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as probable safety of their capital.

~~(B)~~(A) That the board of trustees shall retain the services of one or more recognized professional investment counselors or state or national banks in the State of Florida offering qualified and competent investment advisory services. Said banks must be capitalized at not less than \$10 million, having trust assets aggregating not less than \$150 million in value, and having not less than 500 trust accounts.

~~(C)~~(B) That not less than once every 6 months a written opinion shall be obtained from the investment counselor or counselors as to the overall condition and composition of the investment portfolio.

~~(C) That the portfolio, representing the principal or surplus funds of the pension fund may be invested in the following securities or other property, real or personal, including, but without being limited to, bonds, notes, or other evidences of indebtedness issued, or assumed or guaranteed in whole or in part by the United States or any of its agencies or instrumentalities; or by any foreign government or political subdivisions or agencies thereof; or by the State of Florida, or by any county, city, school district, municipal corporation, or other political subdivision of the State of Florida, both general and revenue obligations; in mortgages and other interests in realty and shares or certificates of real estate investment trusts; or in such corporation bonds, notes, or other evidences of indebtedness, and corporation stocks including common and preferred stocks, or any corporation created or existing under the laws of the United States, of any of the states of the United States or, of any foreign government or political subdivisions or agencies thereof; provided:~~

~~(D)1.~~ That the board of trustees shall cause actuarial surveys of the plan to be made from time to time as deemed necessary or as required by state law, by a competent actuary to be selected by the board of trustees.

~~2.— In making each and all of such investments the board of trustees shall exercise the judgment and care under the circumstances then prevailing which men or women of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as probable safety of their capital. However, not more than 65 percent of said fund, based on the total book value of all investments held, shall be invested at any time in common and/or preferred stocks, and not more than 10 percent of said fund shall be invested at any given time in the preferred and/or common stock of any one corporation and its affiliates; and not more than 5 percent of the outstanding stock of any one corporation and its affiliates shall be held by the fund at any given time; and that corporation bonds, notes, or other evidences of indebtedness commonly referred to as “fixed income investments,” must hold a rating in one of the four highest classifications by a major rating service and corporation bonds, notes, or other evidences of indebtedness with an equity conversion provision used as an equity substitute are not required to hold a rating in one of the four highest classifications by a major rating service.~~

~~3.— Anything in this chapter to the contrary notwithstanding, the board of trustees may also invest the principal or surplus funds of the pension fund, without limitations, in appropriate contracts of life insurance or group annuities, with insurers duly licensed to do business in Florida, including any such contract or contracts which provide for the placement of funds in separate accounts maintained by any such insurer in accordance with the laws of Florida controlling such accounts.~~

Section 2. This act shall take effect October 1, 2019.

Approved by the Governor May 23, 2019.

Filed in Office Secretary of State May 23, 2019.