

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

51 termination of certain contracts; providing that a
52 submission of a materially false certification is
53 deemed a willful refusal to comply with a certain
54 fiduciary standard; requiring that certain
55 noncompliance be reported to the Attorney General, who
56 is authorized to bring certain civil or administrative
57 actions; providing that if the Attorney General is
58 successful in those proceedings, he or she is entitled
59 to reasonable attorney fees and costs; creating s.
60 215.681, F.S.; defining terms; prohibiting bond
61 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; amending s. 280.05, F.S.; requiring
77 the Chief Financial Officer to verify such
78 attestations; requiring the Chief Financial Officer to
79 report materially false attestations to the Attorney
80 General, who is authorized to bring certain civil and
81 administrative actions; providing that if the Attorney
82 General is successful in those proceedings, he or she
83 is entitled to reasonable attorney fees and costs;
84 providing construction; authorizing the Chief
85 Financial Officer to suspend or disqualify a qualified
86 public depository that no longer meets the definition
87 of that term; amending s. 280.051, F.S.; adding
88 grounds for suspension or disqualification of a
89 qualified public depository; amending s. 280.054,
90 F.S.; providing that failure to timely file a required
91 attestation is deemed a knowing and willful violation;
92 amending s. 280.055, F.S.; adding a circumstance under
93 which the Chief Financial Officer may issue certain
94 orders against a qualified public depository; creating
95 s. 287.05701, F.S.; defining the term "awarding body";
96 prohibiting an awarding body from requesting certain
97 documentation or giving preference to vendors based on
98 their social, political, or ideological interests;
99 requiring that solicitations for the procurement of
100 commodities or contractual services by an awarding

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

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

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

176 thereto; providing an effective date.

177

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

179

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

182 17.57 Deposits and investments of state money.—

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

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

200 (c) Notwithstanding any other law, when deciding whether

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

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

214 20.058 Citizen support and direct-support organizations.—

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

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

222 (4)(a) As used in this section, the term "pecuniary
 223 factor" means a factor that the citizen support organization or
 224 direct-support organization prudently determines is expected to
 225 have a material effect on the risk or returns of an investment

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

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

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

242 112.656 Fiduciary duties; certain officials included as
 243 fiduciaries.—

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

250 Section 4. Subsection (4) of section 112.661, Florida

251 Statutes, is amended to read:

252 112.661 Investment policies.—Investment of the assets of
 253 any local retirement system or plan must be consistent with a
 254 written investment policy adopted by the board. Such policies
 255 shall be structured to maximize the financial return to the
 256 retirement system or plan consistent with the risks incumbent in
 257 each investment and shall be structured to establish and
 258 maintain an appropriate diversification of the retirement system
 259 or plan's assets.

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

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

273 112.662 Investments; exercising shareholder rights.—

274 (1) As used in this section, the term "pecuniary factor"
 275 means a factor that the plan administrator, named fiduciary,

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

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

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

299 (4) (a) By December 15, 2023, and by December 15 of each
300 odd-numbered year thereafter, each retirement system or plan

301 shall file a comprehensive report detailing and reviewing the
302 governance policies concerning decisionmaking in vote decisions
303 and adherence to the fiduciary standards required of such
304 retirement system or plan under this section, including the
305 exercise of shareholder rights.

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

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

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

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

325 (d) The Department of Management Services shall adopt

326 | rules to implement this subsection.

327 | Section 6. Subsection (1) of section 175.071, Florida
 328 | Statutes, is amended to read:

329 | 175.071 General powers and duties of board of trustees.—
 330 | For any municipality, special fire control district, chapter
 331 | plan, local law municipality, local law special fire control
 332 | district, or local law plan under this chapter:

333 | (1) The board of trustees, subject to the fiduciary
 334 | standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
 335 | Ethics in ss. 112.311-112.3187, and the requirements in s.
 336 | 112.662, may:

337 | (a) Invest and reinvest the assets of the firefighters'
 338 | pension trust fund in annuity and life insurance contracts of
 339 | life insurance companies in amounts sufficient to provide, in
 340 | whole or in part, the benefits to which all of the participants
 341 | in the firefighters' pension trust fund are entitled under this
 342 | chapter and pay the initial and subsequent premiums thereon.

343 | (b) Invest and reinvest the assets of the firefighters'
 344 | pension trust fund in:

345 | 1. Time or savings accounts of a national bank, a state
 346 | bank insured by the Bank Insurance Fund, or a savings, building,
 347 | and loan association insured by the Savings Association
 348 | Insurance Fund administered by the Federal Deposit Insurance
 349 | Corporation or a state or federal chartered credit union whose
 350 | share accounts are insured by the National Credit Union Share

351 Insurance Fund.

352 2. Obligations of the United States or obligations
 353 guaranteed as to principal and interest by the government of the
 354 United States.

355 3. Bonds issued by the State of Israel.

356 4. Bonds, stocks, or other evidences of indebtedness
 357 issued or guaranteed by a corporation organized under the laws
 358 of the United States, any state or organized territory of the
 359 United States, or the District of Columbia, if:

360 a. The corporation is listed on any one or more of the
 361 recognized national stock exchanges or on the National Market
 362 System of the NASDAQ Stock Market and, in the case of bonds
 363 only, holds a rating in one of the three highest classifications
 364 by a major rating service; and

365 b. The board of trustees may not invest more than 5
 366 percent of its assets in the common stock or capital stock of
 367 any one issuing company, nor may the aggregate investment in any
 368 one issuing company exceed 5 percent of the outstanding capital
 369 stock of that company or the aggregate of its investments under
 370 this subparagraph at cost exceed 50 percent of the assets of the
 371 fund.

372

373 This paragraph applies to all boards of trustees and
 374 participants. However, if a municipality or special fire control
 375 district has a duly enacted pension plan pursuant to, and in

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

394 (c) Issue drafts upon the firefighters' pension trust fund
395 pursuant to this act and rules prescribed by the board of
396 trustees. All such drafts must be consecutively numbered, be
397 signed by the chair and secretary, or by two individuals
398 designated by the board who are subject to the same fiduciary
399 standards as the board of trustees under this subsection, and
400 state upon their faces the purpose for which the drafts are

401 drawn. The treasurer or depository of each municipality or
 402 special fire control district shall retain such drafts when
 403 paid, as permanent vouchers for disbursements made, and no money
 404 may be otherwise drawn from the fund.

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

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

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

410 185.06 General powers and duties of board of trustees.—For
 411 any municipality, chapter plan, local law municipality, or local
 412 law plan under this chapter:

413 (1) The board of trustees, subject to the fiduciary
 414 standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
 415 Ethics in ss. 112.311-112.3187, and the requirements in s.
 416 112.662, may:

417 (a) Invest and reinvest the assets of the retirement trust
 418 fund in annuity and life insurance contracts of life insurance
 419 companies in amounts sufficient to provide, in whole or in part,
 420 the benefits to which all of the participants in the municipal
 421 police officers' retirement trust fund are entitled under this
 422 chapter, and pay the initial and subsequent premiums thereon.

423 (b) Invest and reinvest the assets of the retirement trust
 424 fund in:

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

426 | bank insured by the Bank Insurance Fund, or a savings and loan
 427 | association insured by the Savings Association Insurance Fund
 428 | administered by the Federal Deposit Insurance Corporation or a
 429 | state or federal chartered credit union whose share accounts are
 430 | insured by the National Credit Union Share Insurance Fund.

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

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

434 | 4. Bonds, stocks, or other evidences of indebtedness
 435 | issued or guaranteed by a corporation organized under the laws
 436 | of the United States, any state or organized territory of the
 437 | United States, or the District of Columbia, provided:

438 | a. The corporation is listed on any one or more of the
 439 | recognized national stock exchanges or on the National Market
 440 | System of the NASDAQ Stock Market and, in the case of bonds
 441 | only, holds a rating in one of the three highest classifications
 442 | by a major rating service; and

443 | b. The board of trustees may not invest more than 5
 444 | percent of its assets in the common stock or capital stock of
 445 | any one issuing company, nor shall the aggregate investment in
 446 | any one issuing company exceed 5 percent of the outstanding
 447 | capital stock of the company or the aggregate of its investments
 448 | under this subparagraph at cost exceed 50 percent of the fund's
 449 | assets.

450 |

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

470 (c) Issue drafts upon the municipal police officers'
471 retirement trust fund pursuant to this act and rules prescribed
472 by the board of trustees. All such drafts shall be consecutively
473 numbered, be signed by the chair and secretary or by two
474 individuals designated by the board who are subject to the same
475 fiduciary standards as the board of trustees under this

476 subsection, and state upon their faces the purposes for which
 477 the drafts are drawn. The city treasurer or other depository
 478 shall retain such drafts when paid, as permanent vouchers for
 479 disbursements made, and no money may otherwise be drawn from the
 480 fund.

481 (d) Finally decide all claims to relief under the board's
 482 rules and regulations and pursuant to the provisions of this
 483 act.

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

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

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

489 215.47 Investments; authorized securities; loan of
 490 securities.—Subject to the limitations and conditions of the
 491 State Constitution or of the trust agreement relating to a trust
 492 fund, moneys available for investments under ss. 215.44-215.53
 493 may be invested as follows:

494 (10) (a) As used in this subsection, the term "pecuniary
 495 factor" means a factor that the State Board of Administration
 496 prudently determines is expected to have a material effect on
 497 the risk or returns of an investment based on appropriate
 498 investment horizons consistent with applicable investment
 499 objectives and funding policy. The term does not include the
 500 consideration or furtherance of any social, political, or

501 ideological interests.

502 (b) Notwithstanding any other law except for ss. 215.472,
 503 215.4725, and 215.473, when deciding whether to invest and when
 504 investing the assets of any fund, the State Board of
 505 Administration must make decisions based solely on pecuniary
 506 factors and may not subordinate the interests of the
 507 participants and beneficiaries of the fund to other objectives,
 508 including sacrificing investment return or undertaking
 509 additional investment risk to promote any nonpecuniary factor.
 510 The weight given to any pecuniary factor must appropriately
 511 reflect a prudent assessment of its impact on risk or returns.

512 (c) Investments made by the State Board of Administration
 513 shall be designed to maximize the financial return to the fund
 514 consistent with the risks incumbent in each investment and shall
 515 be designed to preserve an appropriate diversification of the
 516 portfolio. The board shall discharge its duties with respect to
 517 a plan solely in the interest of its participants and
 518 beneficiaries. The board in performing the above investment
 519 duties shall comply with the fiduciary standards set forth in
 520 the Employee Retirement Income Security Act of 1974 at 29 U.S.C.
 521 s. 1104(a) (1) (A) through (C). Except as provided in paragraph
 522 (b), in case of conflict with other provisions of law
 523 authorizing investments, the investment and fiduciary standards
 524 set forth in this paragraph ~~subsection shall~~ prevail.

525 Section 9. Subsection (1) of section 215.475, Florida

526 Statutes, is amended to read:

527 215.475 Investment policy statement.—

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

541 Section 10. Present paragraphs (b), (c), and (d) of
542 subsection (1) of section 215.4755, Florida Statutes, are
543 redesignated as paragraphs (c), (d), and (e), respectively, a
544 new paragraph (b) is added to that subsection, and subsection
545 (3) of that section is amended, to read:

546 215.4755 Certification and disclosure requirements for
547 investment advisers and managers.—

548 (1) An investment adviser or manager who has discretionary
549 investment authority for direct holdings and who is retained as
550 provided in s. 215.44(2)(b) shall agree pursuant to contract to

551 annually certify in writing to the board that:

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

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

564 (b) Failure to timely file the certification required
565 under subsection (1) is grounds for termination of any contract
566 between the board and the investment adviser or manager.

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

570 (d) If an investment adviser or manager fails to comply
571 with the fiduciary standard described in paragraph (1)(b) while
572 providing services to the board, the board must report such
573 noncompliance to the Attorney General, who may bring a civil or
574 administrative action for damages, injunctive relief, and such
575 other relief as may be appropriate. If such action is

576 successful, the Attorney General is entitled to reasonable
 577 attorney fees and costs.

578 Section 11. Section 215.681, Florida Statutes, is created
 579 to read:

580 215.681 ESG bonds; prohibitions.-

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

582 (a) "Bonds" means any note, general obligation bond,
 583 revenue bond, special assessment bond, special obligation bond,
 584 private activity bond, certificate of participation, or other
 585 evidence of indebtedness or obligation, in either temporary or
 586 definitive form.

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

588 (c) "ESG bonds" means any bonds that have been designated
 589 or labeled as bonds that will be used to finance a project with
 590 an ESG purpose, including, but not limited to, green bonds,
 591 Certified Climate Bonds, GreenStar designated bonds, and other
 592 environmental bonds marketed as promoting an environmental
 593 objective; social bonds marketed as promoting a social
 594 objective; and sustainability bonds and sustainable development
 595 goal bonds marketed as promoting both environmental and social
 596 objectives. The term includes those bonds self-designated by the
 597 issuer as ESG-labeled bonds and those designated as ESG-labeled
 598 bonds by a third-party verifier.

599 (d) "Issuer" means the division, acting on behalf of any
 600 entity; any local government, educational entity, or entity of

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

626 Florida Expressway Authority created under s. 348.753, the
627 Jacksonville Transportation Authority created under s. 349.03,
628 and the Florida Housing Finance Corporation created under s.
629 420.504.

630 (e) "Rating agency" means any nationally recognized rating
631 service or nationally recognized statistical rating
632 organization.

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

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

641 (a) Issue ESG bonds.

642 (b) Expend public funds as defined in s. 215.85(3) or use
643 moneys derived from the issuance of bonds to pay for the
644 services of a third-party verifier related to the designation or
645 labeling of bonds as ESG bonds, including, but not limited to,
646 certifying or verifying that bonds may be designated or labeled
647 as ESG bonds, rendering a second-party opinion or producing a
648 verifier's report as to the compliance of proposed ESG bonds
649 with applicable ESG standards and metrics, complying with post-
650 issuance reporting obligations, or other services that are only

651 provided due to the designation or labeling of bonds as ESG
652 bonds.

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

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

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

662 Section 12. Section 215.855, Florida Statutes, is created
663 to read:

664 215.855 Investment manager external communication.—

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

666 (a) "Governmental entity" means a state, regional, county,
667 municipal, special district, or other political subdivision
668 whether executive, judicial, or legislative, including, but not
669 limited to, a department, division, board, bureau, commission,
670 authority, district, or agency thereof, or a public school,
671 Florida College System institution, state university, or
672 associated board.

673 (b) "Investment manager" means a private sector company
674 that offers one or more investment products or services to a
675 governmental entity and that has the discretionary investment

676 authority for direct holdings.

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

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

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

691
692 The views and opinions expressed in this communication are those
693 of the sender and do not reflect the views and opinions of the
694 people of the State of Florida.

695
696 (b) That the contract may be unilaterally terminated at
697 the option of the governmental entity if the investment manager
698 does not include the disclaimer required in paragraph (a).

699 (3) This section applies to contracts between a
700 governmental entity and an investment manager executed, amended,

701 or renewed on or after July 1, 2023.

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

704 218.415 Local government investment policies.—Investment
705 activity by a unit of local government must be consistent with a
706 written investment plan adopted by the governing body, or in the
707 absence of the existence of a governing body, the respective
708 principal officer of the unit of local government and maintained
709 by the unit of local government or, in the alternative, such
710 activity must be conducted in accordance with subsection (17).
711 Any such unit of local government shall have an investment
712 policy for any public funds in excess of the amounts needed to
713 meet current expenses as provided in subsections (1)-(16), or
714 shall meet the alternative investment guidelines contained in
715 subsection (17). Such policies shall be structured to place the
716 highest priority on the safety of principal and liquidity of
717 funds. The optimization of investment returns shall be secondary
718 to the requirements for safety and liquidity. Each unit of local
719 government shall adopt policies that are commensurate with the
720 nature and size of the public funds within its custody.

721 (24) INVESTMENT DECISIONS.—

722 (a) As used in this subsection, the term "pecuniary
723 factor" means a factor that the governing body of the unit of
724 local government, or in the absence of the existence of a
725 governing body, the respective principal officer of the unit of

726 local government, prudently determines is expected to have a
727 material effect on the risk or returns of an investment based on
728 appropriate investment horizons consistent with applicable
729 investment objectives and funding policy. The term does not
730 include the consideration or furtherance of any social,
731 political, or ideological interests.

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

741 Section 14. Present paragraphs (e) and (f) of subsection
742 (26) of section 280.02, Florida Statutes, are redesignated as
743 paragraphs (g) and (h), respectively, and new paragraphs (e) and
744 (f) are added to that subsection, to read:

745 280.02 Definitions.—As used in this chapter, the term:

746 (26) "Qualified public depository" means a bank, savings
747 bank, or savings association that:

748 (e) Makes determinations about the provision of services
749 or the denial of services based on an analysis of risk factors
750 unique to each customer or member. This paragraph does not

751 restrict a qualified public depository that claims a religious
752 purpose from making such determinations based on the religious
753 beliefs, religious exercise, or religious affiliations of a
754 customer or member.

755 (f) Does not engage in the unsafe and unsound practice of
756 denying or canceling its services to a person, or otherwise
757 discriminating against a person in making available such
758 services or in the terms or conditions of such services, on the
759 basis of:

760 1. The person's political opinions, speech, or
761 affiliations;

762 2. Except as provided in paragraph (e), the person's
763 religious beliefs, religious exercise, or religious
764 affiliations;

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

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

771 a. The person's political opinions, speech, or
772 affiliations.

773 b. The person's religious beliefs, religious exercise, or
774 religious affiliations.

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

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

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

781 f. The person's support of the state or Federal Government
782 in combatting illegal immigration, drug trafficking, or human
783 trafficking.

784 g. The person's engagement with, facilitation of,
785 employment by, support of, business relationship with,
786 representation of, or advocacy for any person described in this
787 subparagraph.

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

791 (I) Environmental standards, including emissions
792 standards, benchmarks, requirements, or disclosures;

793 (II) Social governance standards, benchmarks, or
794 requirements, including, but not limited to, environmental or
795 social justice;

796 (III) Corporate board or company employment composition
797 standards, benchmarks, requirements, or disclosures based on
798 characteristics protected under the Florida Civil Rights Act of
799 1992; or

800 (IV) Policies or procedures requiring or encouraging

801 employee participation in social justice programming, including,
802 but not limited to, diversity, equity, or inclusion training.

803 Section 15. Section 280.025, Florida Statutes, is created
804 to read:

805 280.025 Attestation required.-

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

810 (a) A bank, savings bank, or savings association, upon
811 application or reapplication for designation as a qualified
812 public depository.

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

815 (2) If an application or reapplication for designation as
816 a qualified public depository is pending on July 1, 2023, the
817 bank, savings bank, or savings association must file the
818 attestation required under subsection (1) before being
819 designated or redesignated a qualified public depository.

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

823 280.05 Powers and duties of the Chief Financial Officer.-
824 In fulfilling the requirements of this act, the Chief Financial
825 Officer has the power to take the following actions he or she

826 | deems necessary to protect the integrity of the public deposits
 827 | program:

828 | (13) Require the filing of the following reports, which
 829 | the Chief Financial Officer shall process as provided:

830 | (d)1. Any related documents, reports, records, or other
 831 | information deemed necessary by the Chief Financial Officer in
 832 | order to ascertain compliance with this chapter, including, but
 833 | not limited to, verifying the attestation required under s.
 834 | 280.025.

835 | 2. If the Chief Financial Officer determines that the
 836 | attestation required under s. 280.025 is materially false, he or
 837 | she must report such determination to the Attorney General, who
 838 | may bring a civil or administrative action for damages,
 839 | injunctive relief, and such other relief as may be appropriate.
 840 | If such action is successful, the Attorney General is entitled
 841 | to reasonable attorney fees and costs.

842 | 3. As related to federally chartered financial
 843 | institutions, this paragraph may not be construed to create a
 844 | power exceeding the visitorial powers of the Chief Financial
 845 | Officer allowed under federal law.

846 | (17) Suspend or disqualify or disqualify after suspension
 847 | any qualified public depository that has violated ~~any of the~~
 848 | ~~provisions of~~ this chapter or ~~of~~ rules adopted hereunder or that
 849 | no longer meets the definition of a qualified public depository
 850 | under s. 280.02.

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

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

863 (c) If the Chief Financial Officer has reason to believe
864 that any qualified public depository or any other financial
865 institution holding public deposits is or has been violating ~~any~~
866 ~~of the provisions of~~ this chapter or ~~of~~ rules adopted hereunder
867 or no longer meets the definition of a qualified public
868 depository under s. 280.02, he or she may issue to the qualified
869 public depository or other financial institution an order to
870 cease and desist from the violation or to correct the condition
871 giving rise to or resulting from the violation. If any qualified
872 public depository or other financial institution violates a
873 cease-and-desist or corrective order, the Chief Financial
874 Officer may impose an administrative penalty upon the qualified
875 public depository or other financial institution as provided in

876 s. 280.054 or s. 280.055. In addition to the administrative
 877 penalty, the Chief Financial Officer may suspend or disqualify
 878 any qualified public depository for violation of any order
 879 issued pursuant to this paragraph.

880 Section 17. Subsections (14) and (15) are added to section
 881 280.051, Florida Statutes, to read:

882 280.051 Grounds for suspension or disqualification of a
 883 qualified public depository.—A qualified public depository may
 884 be suspended or disqualified or both if the Chief Financial
 885 Officer determines that the qualified public depository has:

886 (14) Failed to file the attestation required under s.
 887 280.025.

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

890 Section 18. Paragraph (b) of subsection (1) of section
 891 280.054, Florida Statutes, is amended to read:

892 280.054 Administrative penalty in lieu of suspension or
 893 disqualification.—

894 (1) If the Chief Financial Officer finds that one or more
 895 grounds exist for the suspension or disqualification of a
 896 qualified public depository, the Chief Financial Officer may, in
 897 lieu of suspension or disqualification, impose an administrative
 898 penalty upon the qualified public depository.

899 (b) With respect to any knowing and willful violation of a
 900 lawful order or rule, the Chief Financial Officer may impose a

901 penalty upon the qualified public depository in an amount not
 902 exceeding \$1,000 for each violation. If restitution is due, the
 903 qualified public depository shall make restitution upon the
 904 order of the Chief Financial Officer and shall pay interest on
 905 such amount at the legal rate. Each day a violation continues
 906 constitutes a separate violation. Failure to timely file the
 907 attestation required under s. 280.025 is deemed a knowing and
 908 willful violation.

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

912 280.055 Cease and desist order; corrective order;
 913 administrative penalty.—

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

916 (e) A qualified public depository or a custodian has not
 917 furnished to the Chief Financial Officer, when the Chief
 918 Financial Officer requested, a power of attorney or bond power
 919 or bond assignment form required by the bond agent or bond
 920 trustee for each issue of registered certificated securities
 921 pledged and registered in the name, or nominee name, of the
 922 qualified public depository or custodian; ~~or~~

923 (f) A qualified public depository; a bank, savings
 924 association, or other financial institution; or a custodian has
 925 committed any other violation of this chapter or any rule

926 adopted pursuant to this chapter that the Chief Financial
 927 Officer determines may be remedied by a cease and desist order
 928 or corrective order; or

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

931 Section 20. Section 287.05701, Florida Statutes, is
 932 created to read:

933 287.05701 Prohibition against considering social,
 934 political, or ideological interests in government contracting.-

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

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

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

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

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

948 (3) Beginning July 1, 2023, any solicitation for the
 949 procurement of commodities or contractual services by an
 950 awarding body must include a provision notifying vendors of the

951 provisions of this section.

952 Section 21. Section 516.037, Florida Statutes, is created
953 to read:

954 516.037 Unsafe and unsound practices.—

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

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

967 (a) The person's political opinions, speech, or
968 affiliations;

969 (b) Except as provided in subsection (1), the person's
970 religious beliefs, religious exercise, or religious
971 affiliations;

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

975 (d) The use of any rating, scoring, analysis, tabulation,

976 or action that considers a social credit score based on factors
977 including, but not limited to:

978 1. The person's political opinions, speech, or
979 affiliations.

980 2. The person's religious beliefs, religious exercise, or
981 religious affiliations.

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

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

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

988 6. The person's support of the state or Federal Government
989 in combatting illegal immigration, drug trafficking, or human
990 trafficking.

991 7. The person's engagement with, facilitation of,
992 employment by, support of, business relationship with,
993 representation of, or advocacy for any person described in this
994 paragraph.

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

998 a. Environmental standards, including emissions standards,
999 benchmarks, requirements, or disclosures;

1000 b. Social governance standards, benchmarks, or

1001 requirements, including, but not limited to, environmental or
1002 social justice;

1003 c. Corporate board or company employment composition
1004 standards, benchmarks, requirements, or disclosures based on
1005 characteristics protected under the Florida Civil Rights Act of
1006 1992; or

1007 d. Policies or procedures requiring or encouraging
1008 employee participation in social justice programming, including,
1009 but not limited to, diversity, equity, or inclusion training.

1010 (3) Beginning July 1, 2023, and upon application for a
1011 license or license renewal, applicants and licensees must
1012 attest, under penalty of perjury, on a form prescribed by the
1013 commission whether the applicant or licensee is acting in
1014 compliance with subsections (1) and (2).

1015 (4) In addition to any sanctions and penalties under this
1016 chapter, a failure to comply with subsection (1) or engaging in
1017 a practice described in subsection (2) constitutes a violation
1018 of the Florida Deceptive and Unfair Trade Practices Act under
1019 part II of chapter 501. Notwithstanding s. 501.211, violations
1020 must be enforced only by the enforcing authority, as defined in
1021 s. 501.203(2), and subject the violator to the sanctions and
1022 penalties provided for in that part. If such action is
1023 successful, the enforcing authority is entitled to reasonable
1024 attorney fees and costs.

1025 Section 22. Section 560.1115, Florida Statutes, is created

1026 | to read:

1027 | 560.1115 Unsafe and unsound practices.—

1028 | (1) Licensees must make determinations about the provision

1029 | or denial of services based on an analysis of risk factors

1030 | unique to each current or prospective customer and may not

1031 | engage in an unsafe and unsound practice as provided in

1032 | subsection (2). This subsection does not restrict a licensee

1033 | that claims a religious purpose from making such determinations

1034 | based on the current or prospective customer's religious

1035 | beliefs, religious exercise, or religious affiliations.

1036 | (2) It is an unsafe and unsound practice for a licensee to

1037 | deny or cancel its services to a person, or to otherwise

1038 | discriminate against a person in making available such services

1039 | or in the terms or conditions of such services, on the basis of:

1040 | (a) The person's political opinions, speech, or

1041 | affiliations;

1042 | (b) Except as provided in subsection (1), the person's

1043 | religious beliefs, religious exercise, or religious

1044 | affiliations;

1045 | (c) Any factor if it is not a quantitative, impartial, and

1046 | risk-based standard, including any such factor related to the

1047 | person's business sector; or

1048 | (d) The use of any rating, scoring, analysis, tabulation,

1049 | or action that considers a social credit score based on factors

1050 | including, but not limited to:

- 1051 1. The person's political opinions, speech, or
 1052 affiliations.
- 1053 2. The person's religious beliefs, religious exercise, or
 1054 religious affiliations.
- 1055 3. The person's lawful ownership of a firearm.
- 1056 4. The person's engagement in the lawful manufacture,
 1057 distribution, sale, purchase, or use of firearms or ammunition.
- 1058 5. The person's engagement in the exploration, production,
 1059 utilization, transportation, sale, or manufacture of fossil
 1060 fuel-based energy, timber, mining, or agriculture.
- 1061 6. The person's support of the state or Federal Government
 1062 in combatting illegal immigration, drug trafficking, or human
 1063 trafficking.
- 1064 7. The person's engagement with, facilitation of,
 1065 employment by, support of, business relationship with,
 1066 representation of, or advocacy for any person described in this
 1067 paragraph.
- 1068 8. The person's failure to meet or commit to meet, or
 1069 expected failure to meet, any of the following as long as such
 1070 person is in compliance with applicable state or federal law:
- 1071 a. Environmental standards, including emissions standards,
 1072 benchmarks, requirements, or disclosures;
- 1073 b. Social governance standards, benchmarks, or
 1074 requirements, including, but not limited to, environmental or
 1075 social justice;

1076 c. Corporate board or company employment composition
 1077 standards, benchmarks, requirements, or disclosures based on
 1078 characteristics protected under the Florida Civil Rights Act of
 1079 1992; or

1080 d. Policies or procedures requiring or encouraging
 1081 employee participation in social justice programming, including,
 1082 but not limited to, diversity, equity, or inclusion training.

1083 (3) Beginning July 1, 2023, and upon application for a
 1084 license or license renewal, applicants and licensees, as
 1085 applicable, must attest, under penalty of perjury, on a form
 1086 prescribed by the commission whether the applicant or licensee
 1087 is acting in compliance with subsections (1) and (2).

1088 (4) In addition to any sanctions and penalties under this
 1089 chapter, a failure to comply with subsection (1) or engaging in
 1090 a practice described in subsection (2) constitutes a violation
 1091 of the Florida Deceptive and Unfair Trade Practices Act under
 1092 part II of chapter 501. Notwithstanding s. 501.211, violations
 1093 must be enforced only by the enforcing authority, as defined in
 1094 s. 501.203(2), and subject the violator to the sanctions and
 1095 penalties provided for in that part. If such action is
 1096 successful, the enforcing authority is entitled to reasonable
 1097 attorney fees and costs.

1098 Section 23. Paragraph (h) of subsection (1) of section
 1099 560.114, Florida Statutes, is amended to read:

1100 560.114 Disciplinary actions; penalties.—

1101 (1) The following actions by a money services business,
1102 authorized vendor, or affiliated party constitute grounds for
1103 the issuance of a cease and desist order; the issuance of a
1104 removal order; the denial, suspension, or revocation of a
1105 license; or taking any other action within the authority of the
1106 office pursuant to this chapter:

1107 (h) Engaging in an act prohibited under s. 560.111 or s.
1108 560.1115.

1109 Section 24. Paragraph (y) of subsection (1) of section
1110 655.005, Florida Statutes, is amended to read:

1111 655.005 Definitions.—

1112 (1) As used in the financial institutions codes, unless
1113 the context otherwise requires, the term:

1114 (y) "Unsafe or unsound practice" or "unsafe and unsound
1115 practice" means:

1116 1. Any practice or conduct found by the office to be
1117 contrary to generally accepted standards applicable to a
1118 financial institution, or a violation of any prior agreement in
1119 writing or order of a state or federal regulatory agency, which
1120 practice, conduct, or violation creates the likelihood of loss,
1121 insolvency, or dissipation of assets or otherwise prejudices the
1122 interest of the financial institution or its depositors or
1123 members. In making this determination, the office must consider
1124 the size and condition of the financial institution, the gravity
1125 of the violation, and the prior conduct of the person or

1126 institution involved; or

1127 2. Failure to comply with s. 655.0323(1), or engaging in a
1128 practice described in s. 655.0323(2).

1129 Section 25. Section 655.0323, Florida Statutes, is created
1130 to read:

1131 655.0323 Unsafe and unsound practices.—

1132 (1) Financial institutions must make determinations about
1133 the provision or denial of services based on an analysis of risk
1134 factors unique to each current or prospective customer or member
1135 and may not engage in an unsafe and unsound practice as provided
1136 in subsection (2). This subsection does not restrict a financial
1137 institution that claims a religious purpose from making such
1138 determinations based on the current or prospective customer's or
1139 member's religious beliefs, religious exercise, or religious
1140 affiliations.

1141 (2) It is an unsafe and unsound practice for a financial
1142 institution to deny or cancel its services to a person, or to
1143 otherwise discriminate against a person in making available such
1144 services or in the terms or conditions of such services, on the
1145 basis of:

1146 (a) The person's political opinions, speech, or
1147 affiliations;

1148 (b) Except as provided in subsection (1), the person's
1149 religious beliefs, religious exercise, or religious
1150 affiliations;

1151 (c) Any factor if it is not a quantitative, impartial, and
1152 risk-based standard, including any such factor related to the
1153 person's business sector; or

1154 (d) The use of any rating, scoring, analysis, tabulation,
1155 or action that considers a social credit score based on factors
1156 including, but not limited to:

1157 1. The person's political opinions, speech, or
1158 affiliations.

1159 2. The person's religious beliefs, religious exercise, or
1160 religious affiliations.

1161 3. The person's lawful ownership of a firearm.

1162 4. The person's engagement in the lawful manufacture,
1163 distribution, sale, purchase, or use of firearms or ammunition.

1164 5. The person's engagement in the exploration, production,
1165 utilization, transportation, sale, or manufacture of fossil
1166 fuel-based energy, timber, mining, or agriculture.

1167 6. The person's support of the state or Federal Government
1168 in combatting illegal immigration, drug trafficking, or human
1169 trafficking.

1170 7. The person's engagement with, facilitation of,
1171 employment by, support of, business relationship with,
1172 representation of, or advocacy for any person described in this
1173 paragraph.

1174 8. The person's failure to meet or commit to meet, or
1175 expected failure to meet, any of the following as long as such

1176 person is in compliance with applicable state or federal law:
1177 a. Environmental standards, including emissions standards,
1178 benchmarks, requirements, or disclosures;
1179 b. Social governance standards, benchmarks, or
1180 requirements, including, but not limited to, environmental or
1181 social justice;
1182 c. Corporate board or company employment composition
1183 standards, benchmarks, requirements, or disclosures based on
1184 characteristics protected under the Florida Civil Rights Act of
1185 1992; or
1186 d. Policies or procedures requiring or encouraging
1187 employee participation in social justice programming, including,
1188 but not limited to, diversity, equity, or inclusion training.
1189 (3) Beginning July 1, 2023, and by July 1 of each year
1190 thereafter, financial institutions subject to the financial
1191 institutions codes must attest, under penalty of perjury, on a
1192 form prescribed by the commission whether the entity is acting
1193 in compliance with subsections (1) and (2).
1194 (4) Engaging in a practice described in subsection (2) or
1195 failing to timely provide the attestation under subsection (3)
1196 is a failure to comply with this chapter, constitutes a
1197 violation of the financial institutions codes, and is subject to
1198 the applicable sanctions and penalties provided for in the
1199 financial institutions codes.
1200 (5) Notwithstanding ss. 501.211 and 501.212, a failure to

1201 comply with subsection (1) or engaging in a practice described
 1202 in subsection (2) constitutes a violation of the Florida
 1203 Deceptive and Unfair Trade Practices Act under part II of
 1204 chapter 501. Violations must be enforced only by the enforcing
 1205 authority, as defined in s. 501.203(2), and subject the violator
 1206 to the sanctions and penalties provided for in that part. If
 1207 such action is successful, the enforcing authority is entitled
 1208 to reasonable attorney fees and costs.

1209 (6) The office and the commission may not exercise
 1210 authority pursuant to s. 655.061 in relation to this section.

1211 Section 26. Subsection (5) is added to section 1010.04,
 1212 Florida Statutes, to read:

1213 1010.04 Purchasing.—

1214 (5) Beginning July 1, 2023, school districts, Florida
 1215 College System institutions, and state universities may not:

1216 (a) Request documentation of or consider a vendor's
 1217 social, political, or ideological interests.

1218 (b) Give preference to a vendor based on the vendor's
 1219 social, political, or ideological interests.

1220
 1221 Any solicitation for purchases and leases must include a
 1222 provision notifying vendors of the provisions of this
 1223 subsection.

1224 Section 27. For the purpose of incorporating the amendment
 1225 made by this act to section 17.57, Florida Statutes, in

1226 references thereto, subsection (1) of section 17.61, Florida
 1227 Statutes, is reenacted to read:

1228 17.61 Chief Financial Officer; powers and duties in the
 1229 investment of certain funds.—

1230 (1) The Chief Financial Officer shall invest all general
 1231 revenue funds and all the trust funds and all agency funds of
 1232 each state agency, and of the judicial branch, as defined in s.
 1233 216.011, and may, upon request, invest funds of any board,
 1234 association, or entity created by the State Constitution or by
 1235 law, except for the funds required to be invested pursuant to
 1236 ss. 215.44-215.53, by the procedure and in the authorized
 1237 securities prescribed in s. 17.57; for this purpose, the Chief
 1238 Financial Officer may open and maintain one or more demand and
 1239 safekeeping accounts in any bank or savings association for the
 1240 investment and reinvestment and the purchase, sale, and exchange
 1241 of funds and securities in the accounts. Funds in such accounts
 1242 used solely for investments and reinvestments shall be
 1243 considered investment funds and not funds on deposit, and such
 1244 funds shall be exempt from the provisions of chapter 280. In
 1245 addition, the securities or investments purchased or held under
 1246 the provisions of this section and s. 17.57 may be loaned to
 1247 securities dealers and banks and may be registered by the Chief
 1248 Financial Officer in the name of a third-party nominee in order
 1249 to facilitate such loans, provided the loan is collateralized by
 1250 cash or United States government securities having a market

1251 value of at least 100 percent of the market value of the
 1252 securities loaned. The Chief Financial Officer shall keep a
 1253 separate account, designated by name and number, of each fund.
 1254 Individual transactions and totals of all investments, or the
 1255 share belonging to each fund, shall be recorded in the accounts.

1256 Section 28. For the purpose of incorporating the amendment
 1257 made by this act to section 215.47, Florida Statutes, in a
 1258 reference thereto, subsection (3) of section 215.44, Florida
 1259 Statutes, is reenacted to read:

1260 215.44 Board of Administration; powers and duties in
 1261 relation to investment of trust funds.—

1262 (3) Notwithstanding any law to the contrary, all
 1263 investments made by the State Board of Administration pursuant
 1264 to ss. 215.44-215.53 shall be subject to the restrictions and
 1265 limitations contained in s. 215.47, except that investments made
 1266 by the State Board of Administration under a trust agreement
 1267 pursuant to subsection (1) shall be subject only to the
 1268 restrictions and limitations contained in the trust agreement.

1269 Section 29. This act shall take effect July 1, 2023.