

26 | by the act; amending s. 215.47, F.S.; providing a
27 | definition; requiring the State Board of
28 | Administration to make investment decisions based on
29 | specified factors; providing an exception to current
30 | investment and fiduciary standards; amending s.
31 | 215.475, F.S.; requiring the Florida Retirement System
32 | Defined Benefit Plan Investment Policy Statement to
33 | comply with certain requirements; amending s.
34 | 215.4755, F.S.; requiring certain parties to make
35 | investment decisions based on specified factors;
36 | providing applicability; providing that a certain
37 | failure is grounds for termination of a contract;
38 | providing that a certain false submission is deemed a
39 | specified violation; requiring certain noncompliance
40 | to be reported to the Attorney General; authorizing
41 | certain proceedings to be brought by the Attorney
42 | General; authorizing attorney fees and costs; creating
43 | s. 215.681, F.S.; providing definitions; prohibiting a
44 | bond issuer from taking certain actions; authorizing
45 | certain financial institutions to purchase and
46 | underwrite specified bonds; providing applicability;
47 | creating s. 215.855, F.S.; providing definitions;
48 | requiring contracts between certain entities to
49 | contain certain provisions and a specified disclaimer;
50 | authorizing such contracts to be terminated in

51 specified circumstances; providing applicability;
52 amending s. 218.415, F.S.; providing a definition;
53 requiring units of local government to make investment
54 decisions based on specified factors; amending s.
55 280.02, F.S.; revising a definition; creating s.
56 280.025, F.S.; requiring a specified attestation,
57 under penalty of perjury, from certain entities;
58 amending s. 280.05, F.S.; requiring the Chief
59 Financial Officer to verify specified attestations;
60 requiring certain determinations to be reported to the
61 Attorney General; authorizing certain proceedings to
62 be brought by the Attorney General; authorizing
63 attorney fees and costs; providing construction;
64 authorizing the Chief Financial Officer to issue
65 certain sanctions in specified circumstances; amending
66 s. 280.051, F.S.; authorizing the Chief Financial
67 Officer to issue certain sanctions in specified
68 circumstances; amending s. 280.054, F.S.; providing
69 that a certain failure is a specified violation;
70 amending s. 280.055, F.S.; authorizing the Chief
71 Financial Officer to issue certain sanctions in a
72 specified circumstance; creating s. 287.05701, F.S.;
73 providing a definition; prohibiting an awarding body
74 from taking certain actions when making certain
75 determinations; requiring a specified notification to

76 include a certain provision beginning on a specified
77 date; creating s. 516.037, F.S.; requiring licensees
78 to make certain determinations based on specified
79 factors; providing construction; providing that
80 certain actions are an unsafe and unsound practice;
81 providing a definition; requiring a specified
82 attestation, under penalty of perjury, from applicants
83 and licensees beginning on a specified date; providing
84 that a certain action is a specified violation;
85 providing for enforcement; authorizing attorney fees
86 and costs; creating s. 560.1115, F.S.; requiring
87 licensees to make certain determinations based on
88 specified factors; providing construction; providing
89 that certain actions are an unsafe and unsound
90 practice; providing a definition; requiring a
91 specified attestation, under penalty of perjury, from
92 applicants and licensees beginning on a specified
93 date; providing that a certain action is a specified
94 violation; providing for enforcement; authorizing
95 attorney fees and costs; amending s. 655.005, F.S.;
96 revising a definition; creating s. 655.0323, F.S.;
97 requiring financial institutions to make certain
98 determinations based on specified factors; providing
99 construction; providing that certain actions are an
100 unsafe and unsound practice; providing a definition;

101 requiring a specified attestation, under penalty of
 102 perjury, from financial institutions annually
 103 beginning on a specified date; providing that a
 104 certain action is a specified violation; providing for
 105 enforcement; authorizing attorney fees and costs;
 106 prohibiting certain entities from exercising specified
 107 authority; amending s. 1010.04, F.S.; prohibiting
 108 certain entities from taking certain actions beginning
 109 on a specified date; requiring certain solicitations
 110 to include a specified provision; reenacting s.
 111 17.61(1), F.S., relating to powers and duties of the
 112 Chief Financial Officer in the investment of certain
 113 funds, to incorporate the amendment made to s. 17.57,
 114 F.S., in references thereto; reenacting s. 215.44(3),
 115 F.S., relating to the powers and duties of the Board
 116 of Administration in the investment of trust funds, to
 117 incorporate the amendment made to s. 215.47, F.S., in
 118 references thereto; providing an effective date.

119

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

121

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

124 17.57 Deposits and investments of state money.—

125 (1) (a) As used in this subsection, the term "pecuniary

126 factor" means a factor that the Chief Financial Officer, or
127 other party authorized to invest on his or her behalf, prudently
128 determines is expected to have a material effect on the risk or
129 returns of an investment based on appropriate investment
130 horizons consistent with applicable investment objectives and
131 funding policy. The term does not include the consideration or
132 furtherance of any social, political, or ideological interests.

133 (b) The Chief Financial Officer, or other parties with the
134 permission of the Chief Financial Officer, shall deposit the
135 money of the state or any money in the State Treasury in such
136 qualified public depositories of the state as will offer
137 satisfactory collateral security for such deposits, pursuant to
138 chapter 280. It is the duty of the Chief Financial Officer,
139 consistent with the cash requirements of the state, to keep such
140 money fully invested or deposited as provided herein in order
141 that the state may realize maximum earnings and benefits.

142 (c) Notwithstanding any other law, when deciding whether
143 to invest and when investing, the Chief Financial Officer, or
144 other party authorized to invest on his or her behalf, must make
145 decisions based solely on pecuniary factors and may not
146 subordinate the interests of the people of this state to other
147 objectives, including sacrificing investment return or
148 undertaking additional investment risk to promote any non-
149 pecuniary factor. The weight given to any pecuniary factor must
150 appropriately reflect a prudent assessment of its impact on risk

151 or returns.

152 Section 2. Subsections (4) and (5) of section 20.058,
153 Florida Statutes, are renumbered as subsections (5) and (6),
154 respectively, paragraph (g) is added to subsection (1), and a
155 new subsection (4) is added to that section, to read:

156 20.058 Citizen support and direct-support organizations.—

157 (1) By August 1 of each year, a citizen support
158 organization or direct-support organization created or
159 authorized pursuant to law or executive order and created,
160 approved, or administered by an agency, shall submit the
161 following information to the appropriate agency:

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

164 (4)(a) As used in this section, the term "pecuniary
165 factor" means a factor that the citizen support organization or
166 direct-support organization prudently determines is expected to
167 have a material effect on the risk or returns of an investment
168 based on appropriate investment horizons consistent with
169 applicable investment objectives and funding policy. The term
170 does not include the consideration or furtherance of any social,
171 political, or ideological interests.

172 (b) Notwithstanding any other law, when deciding whether
173 to invest and when investing funds on behalf of an agency, the
174 citizen support organization or direct-support organization must
175 make decisions based solely on pecuniary factors and may not

176 subordinate the interests of the people of this state to other
 177 objectives, including sacrificing investment return or
 178 undertaking additional investment risk to promote any non-
 179 pecuniary factor. The weight given to any pecuniary factor must
 180 appropriately reflect a prudent assessment of its impact on risk
 181 or returns.

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

184 112.656 Fiduciary duties; certain officials included as
 185 fiduciaries.—

186 (1) A fiduciary shall discharge his or her duties with
 187 respect to a plan solely in the interest of the participants and
 188 beneficiaries for the exclusive purpose of providing benefits to
 189 participants and their beneficiaries and defraying reasonable
 190 expenses of administering the plan. Investment decisions must
 191 comply with s. 112.662.

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

194 112.661 Investment policies.—Investment of the assets of
 195 any local retirement system or plan must be consistent with a
 196 written investment policy adopted by the board. Such policies
 197 shall be structured to maximize the financial return to the
 198 retirement system or plan consistent with the risks incumbent in
 199 each investment and shall be structured to establish and
 200 maintain an appropriate diversification of the retirement system

201 or plan's assets.

202 (4) INVESTMENT AND FIDUCIARY STANDARDS.—The investment
 203 policy shall describe the level of prudence and ethical
 204 standards to be followed by the board in carrying out its
 205 investment activities with respect to funds described in this
 206 section. The board in performing its investment duties shall
 207 comply with the fiduciary standards set forth in the Employee
 208 Retirement Income Security Act of 1974 at 29 U.S.C. s.
 209 1104(a)(1)(A)–(C). Except as provided in s. 112.662, in case of
 210 conflict with other provisions of law authorizing investments,
 211 the investment and fiduciary standards set forth in this section
 212 shall prevail.

213 Section 5. Section 112.662, Florida Statutes, is created
 214 to read:

215 112.662 Investments; exercising shareholder rights.—

216 (1) As used in this section, the term "pecuniary factor"
 217 means a factor that the plan administrator, named fiduciary,
 218 board, or board of trustees prudently determines is expected to
 219 have a material effect on the risk or returns of an investment
 220 based on appropriate investment horizons consistent with the
 221 investment objectives and funding policy of the retirement
 222 system or plan. The term does not include the consideration or
 223 furtherance of any social, political, or ideological interests.

224 (2) Notwithstanding any other law, when deciding whether
 225 to invest and when investing the assets of any retirement system

226 or plan, only pecuniary factors may be considered and the
227 interests of the participants and beneficiaries of the system or
228 plan may not be subordinated to other objectives, including
229 sacrificing investment return or undertaking additional
230 investment risk to promote any non-pecuniary factor. The weight
231 given to any pecuniary factor must appropriately reflect a
232 prudent assessment of its impact on risk or returns.

233 (3) Notwithstanding any other law, when deciding whether
234 to exercise shareholder rights or when exercising such rights on
235 behalf of a retirement system or plan, including the voting of
236 proxies, only pecuniary factors may be considered and the
237 interests of the participants and beneficiaries of the system or
238 plan may not be subordinated to other objectives, including
239 sacrificing investment return or undertaking additional
240 investment risk to promote any non-pecuniary factor.

241 (4) (a) By December 15, 2023, and by December 15 of each
242 odd-numbered year thereafter, each retirement system or plan
243 shall file a comprehensive report detailing and reviewing the
244 governance policies concerning decisionmaking in vote decisions
245 and adherence to the fiduciary standards required of such
246 retirement system or plan under this section, including the
247 exercise of shareholder rights.

248 1. The State Board of Administration, on behalf of the
249 Florida Retirement System, shall submit its report to the
250 Governor, the Attorney General, the Chief Financial Officer, the

251 President of the Senate, and the Speaker of the House of
 252 Representatives.

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

255 (b) By January 15, 2024, and by January 15 of each even-
 256 numbered year thereafter, the Department of Management Services
 257 shall submit a summary report to the Governor, the Attorney
 258 General, the Chief Financial Officer, the President of the
 259 Senate, and the Speaker of the House of Representatives that
 260 includes a summary of the reports submitted under paragraph (a)
 261 and identifies any relevant trends among such systems and plans.

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

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

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

271 175.071 General powers and duties of board of trustees.—
 272 For any municipality, special fire control district, chapter
 273 plan, local law municipality, local law special fire control
 274 district, or local law plan under this chapter:

275 (1) The board of trustees, subject to the fiduciary

276 standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
 277 Ethics in ss. 112.311-112.3187, and the requirements in s.
 278 112.662, may:

279 (a) Invest and reinvest the assets of the firefighters'
 280 pension trust fund in annuity and life insurance contracts of
 281 life insurance companies in amounts sufficient to provide, in
 282 whole or in part, the benefits to which all of the participants
 283 in the firefighters' pension trust fund are entitled under this
 284 chapter and pay the initial and subsequent premiums thereon.

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

287 1. Time or savings accounts of a national bank, a state
 288 bank insured by the Bank Insurance Fund, or a savings, building,
 289 and loan association insured by the Savings Association
 290 Insurance Fund administered by the Federal Deposit Insurance
 291 Corporation or a state or federal chartered credit union whose
 292 share accounts are insured by the National Credit Union Share
 293 Insurance Fund.

294 2. Obligations of the United States or obligations
 295 guaranteed as to principal and interest by the government of the
 296 United States.

297 3. Bonds issued by the State of Israel.

298 4. Bonds, stocks, or other evidences of indebtedness
 299 issued or guaranteed by a corporation organized under the laws
 300 of the United States, any state or organized territory of the

301 United States, or the District of Columbia, if:

302 a. The corporation is listed on any one or more of the
 303 recognized national stock exchanges or on the National Market
 304 System of the NASDAQ Stock Market and, in the case of bonds
 305 only, holds a rating in one of the three highest classifications
 306 by a major rating service; and

307 b. The board of trustees may not invest more than 5
 308 percent of its assets in the common stock or capital stock of
 309 any one issuing company, nor may the aggregate investment in any
 310 one issuing company exceed 5 percent of the outstanding capital
 311 stock of that company or the aggregate of its investments under
 312 this subparagraph at cost exceed 50 percent of the assets of the
 313 fund.

314
 315 This paragraph applies to all boards of trustees and
 316 participants. However, if a municipality or special fire control
 317 district has a duly enacted pension plan pursuant to, and in
 318 compliance with, s. 175.351, and the trustees desire to vary the
 319 investment procedures, the trustees of such plan must request a
 320 variance of the investment procedures as outlined herein only
 321 through a municipal ordinance, special act of the Legislature,
 322 or resolution by the governing body of the special fire control
 323 district; if a special act, or a municipality by ordinance
 324 adopted before July 1, 1998, permits a greater than 50-percent
 325 equity investment, such municipality is not required to comply

326 with the aggregate equity investment provisions of this
 327 paragraph. Notwithstanding any other provision of law, this
 328 section may not be construed to take away any preexisting legal
 329 authority to make equity investments that exceed the
 330 requirements of this paragraph. Notwithstanding any other
 331 provision of law, the board of trustees may invest up to 25
 332 percent of plan assets in foreign securities on a market-value
 333 basis. The investment cap on foreign securities may not be
 334 revised, amended, increased, or repealed except as provided by
 335 general law.

336 (c) Issue drafts upon the firefighters' pension trust fund
 337 pursuant to this act and rules prescribed by the board of
 338 trustees. All such drafts must be consecutively numbered, be
 339 signed by the chair and secretary, or by two individuals
 340 designated by the board who are subject to the same fiduciary
 341 standards as the board of trustees under this subsection, and
 342 state upon their faces the purpose for which the drafts are
 343 drawn. The treasurer or depository of each municipality or
 344 special fire control district shall retain such drafts when
 345 paid, as permanent vouchers for disbursements made, and no money
 346 may be otherwise drawn from the fund.

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

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

350 Section 7. Subsection (1) of section 185.06, Florida

351 Statutes, is amended to read:

352 185.06 General powers and duties of board of trustees.—For
 353 any municipality, chapter plan, local law municipality, or local
 354 law plan under this chapter:

355 (1) The board of trustees, subject to the fiduciary
 356 standards in ss. 112.656, 112.661, and 518.11, ~~and~~ the Code of
 357 Ethics in ss. 112.311-112.3187, and the requirements in s.
 358 112.662, may:

359 (a) Invest and reinvest the assets of the retirement trust
 360 fund in annuity and life insurance contracts of life insurance
 361 companies in amounts sufficient to provide, in whole or in part,
 362 the benefits to which all of the participants in the municipal
 363 police officers' retirement trust fund are entitled under this
 364 chapter, and pay the initial and subsequent premiums thereon.

365 (b) Invest and reinvest the assets of the retirement trust
 366 fund in:

367 1. Time or savings accounts of a national bank, a state
 368 bank insured by the Bank Insurance Fund, or a savings and loan
 369 association insured by the Savings Association Insurance Fund
 370 administered by the Federal Deposit Insurance Corporation or a
 371 state or federal chartered credit union whose share accounts are
 372 insured by the National Credit Union Share Insurance Fund.

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

375 3. Bonds issued by the State of Israel.

376 4. Bonds, stocks, or other evidences of indebtedness
 377 issued or guaranteed by a corporation organized under the laws
 378 of the United States, any state or organized territory of the
 379 United States, or the District of Columbia, provided:

380 a. The corporation is listed on any one or more of the
 381 recognized national stock exchanges or on the National Market
 382 System of the NASDAQ Stock Market and, in the case of bonds
 383 only, holds a rating in one of the three highest classifications
 384 by a major rating service; and

385 b. The board of trustees may not invest more than 5
 386 percent of its assets in the common stock or capital stock of
 387 any one issuing company, nor shall the aggregate investment in
 388 any one issuing company exceed 5 percent of the outstanding
 389 capital stock of the company or the aggregate of its investments
 390 under this subparagraph at cost exceed 50 percent of the fund's
 391 assets.

392
 393 This paragraph applies to all boards of trustees and
 394 participants. However, if a municipality has a duly enacted
 395 pension plan pursuant to, and in compliance with, s. 185.35 and
 396 the trustees desire to vary the investment procedures, the
 397 trustees of such plan shall request a variance of the investment
 398 procedures as outlined herein only through a municipal ordinance
 399 or special act of the Legislature; if a special act, or a
 400 municipality by ordinance adopted before July 1, 1998, permits a

401 greater than 50-percent equity investment, such municipality is
402 not required to comply with the aggregate equity investment
403 provisions of this paragraph. Notwithstanding any other
404 provision of law, this section may not be construed to take away
405 any preexisting legal authority to make equity investments that
406 exceed the requirements of this paragraph. Notwithstanding any
407 other provision of law, the board of trustees may invest up to
408 25 percent of plan assets in foreign securities on a market-
409 value basis. The investment cap on foreign securities may not be
410 revised, amended, repealed, or increased except as provided by
411 general law.

412 (c) Issue drafts upon the municipal police officers'
413 retirement trust fund pursuant to this act and rules prescribed
414 by the board of trustees. All such drafts shall be consecutively
415 numbered, be signed by the chair and secretary or by two
416 individuals designated by the board who are subject to the same
417 fiduciary standards as the board of trustees under this
418 subsection, and state upon their faces the purposes for which
419 the drafts are drawn. The city treasurer or other depository
420 shall retain such drafts when paid, as permanent vouchers for
421 disbursements made, and no money may otherwise be drawn from the
422 fund.

423 (d) Finally decide all claims to relief under the board's
424 rules and regulations and pursuant to the provisions of this
425 act.

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

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

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

431 215.47 Investments; authorized securities; loan of
432 securities.—Subject to the limitations and conditions of the
433 State Constitution or of the trust agreement relating to a trust
434 fund, moneys available for investments under ss. 215.44-215.53
435 may be invested as follows:

436 (10) (a) As used in this subsection, the term "pecuniary
437 factor" means a factor that the State Board of Administration
438 prudently determines is expected to have a material effect on
439 the risk or return of an investment based on appropriate
440 investment horizons consistent with applicable investment
441 objectives and funding policy. The term does not include the
442 consideration or furtherance of any social, political, or
443 ideological interests.

444 (b) Notwithstanding any other law, when deciding whether
445 to invest and when investing the assets of any fund, the State
446 Board of Administration must make decisions based solely on
447 pecuniary factors and may not subordinate the interests of the
448 participants and beneficiaries of the fund to other objectives,
449 including sacrificing investment return or undertaking
450 additional investment risk to promote any non-pecuniary factor.

451 The weight given to any pecuniary factor must appropriately
 452 reflect a prudent assessment of its impact on risk or returns.

453 (c) Investments made by the State Board of Administration
 454 shall be designed to maximize the financial return to the fund
 455 consistent with the risks incumbent in each investment and shall
 456 be designed to preserve an appropriate diversification of the
 457 portfolio. The board shall discharge its duties with respect to
 458 a plan solely in the interest of its participants and
 459 beneficiaries. The board in performing the above investment
 460 duties shall comply with the fiduciary standards set forth in
 461 the Employee Retirement Income Security Act of 1974 at 29 U.S.C.
 462 s. 1104(a)(1)(A) through (C). Except as provided in paragraph
 463 (b), in case of conflict with other provisions of law
 464 authorizing investments, the investment and fiduciary standards
 465 set forth in this paragraph ~~subsection~~ shall prevail.

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

468 215.475 Investment policy statement.—

469 (1) In making investments for the System Trust Fund
 470 pursuant to ss. 215.44-215.53, the board shall make no
 471 investment which is not in conformance with the Florida
 472 Retirement System Defined Benefit Plan Investment Policy
 473 Statement, hereinafter referred to as "the IPS," as developed by
 474 the executive director and approved by the board. The IPS must
 475 comply with s. 215.47(10) and include, among other items, the

476 investment objectives of the System Trust Fund; permitted types
477 of securities in which the board may invest; and evaluation
478 criteria necessary to measure the investment performance of the
479 fund. As required from time to time, the executive director of
480 the board may present recommended changes in the IPS to the
481 board for approval.

482 Section 10. Paragraphs (b), (c), and (d) of subsection (1)
483 of section 215.4755, Florida Statutes, are redesignated as
484 paragraphs (c), (d), and (e), respectively, subsection (3) is
485 amended, and paragraph (b) is added to subsection (1) of that
486 section, to read:

487 215.4755 Certification and disclosure requirements for
488 investment advisers and managers.—

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

493 (b) All investment decisions made on behalf of the trust
494 funds and the board are made based solely on pecuniary factors
495 as defined in s. 215.47(10)(a) and do not subordinate the
496 interests of the participants and beneficiaries of the funds to
497 other objectives, including sacrificing investment return or
498 undertaking additional investment risk to promote any non-
499 pecuniary factor. This paragraph applies to any contract
500 executed, amended, or renewed on or after July 1, 2023.

501 (3)(a) An investment adviser or manager certification
 502 required under subsection (1) shall be provided annually, no
 503 later than January 31, for the reporting period of the previous
 504 calendar year on a form prescribed by the board.

505 (b) Failure to timely file the certification required
 506 under subsection (1) shall be grounds for termination of any
 507 contract between the board and the investment advisor or
 508 manager.

509 (c) Submission of a materially false certification shall
 510 be deemed a willful refusal to comply with the fiduciary
 511 standards set forth in paragraph (1)(b).

512 (d) If an investment advisor or manager fails to comply
 513 with the fiduciary standards described in (1)(b) while providing
 514 services to the board, the board shall report such noncompliance
 515 to the Attorney General, who may bring a civil or administrative
 516 action for damages, injunctive relief, and such other relief as
 517 may be appropriate. If such action is successful, the Attorney
 518 General is entitled to reasonable attorney fees and costs.

519 Section 11. Section 215.681, Florida Statutes, is created
 520 to read:

521 215.681 ESG bonds; prohibitions.—

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

523 (a) "Bonds" means any note, general obligation bond,
 524 revenue bond, special assessment bond, special obligation bond,
 525 private activity bond, certificate of participation, or other

526 evidence of indebtedness or obligation, in either temporary or
527 definitive form.

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

529 (c) "ESG bonds" means any bonds that have been designated
530 or labeled as bonds that will be used to finance a project with
531 an ESG purpose, including, but not limited to, green bonds,
532 Certified Climate Bonds, GreenStar designated bonds, and other
533 environmental bonds marketed as promoting an environmental
534 objective; social bonds marketed as promoting a social
535 objective; and sustainability bonds and sustainable development
536 goal bonds marketed as promoting both environmental and social
537 objectives. The term includes those bonds self-designated by the
538 issuer as ESG-labeled bonds and those designated as ESG-labeled
539 bonds by a third-party verifier.

540 (d) "Issuer" means the division, acting on behalf of any
541 entity; any local government, educational entity, or entity of
542 higher education as defined in s. 215.89(2)(c), (d), and (e),
543 respectively, or other political subdivision granted the power
544 to issue bonds; any public body corporate and politic authorized
545 or created by general or special law and granted the power to
546 issue bonds, including, but not limited to, a water and sewer
547 district created under chapter 153, a health facilities
548 authority as defined in s. 154.205, an industrial development
549 authority created under chapter 159, a housing financing
550 authority as defined in s. 159.603(3), a research and

551 development authority as defined in s. 159.702(1)(c), a legal or
552 administrative entity created by interlocal agreement pursuant
553 to s. 163.01(7), a community redevelopment agency as defined in
554 s. 163.340(1), a regional transportation authority created under
555 chapter 163, a community development district as defined in s.
556 190.003, an educational facilities authority as defined in s.
557 243.52(1), the Higher Educational Facilities Financing Authority
558 created pursuant to s. 243.53, the Florida Development Finance
559 Corporation created pursuant to s. 288.9604, a port district or
560 port authority as defined in s. 315.02(1) and (2), respectively,
561 the South Florida Regional Transportation Authority created
562 pursuant to s. 343.53, the Central Florida Regional
563 Transportation Authority created pursuant to s. 343.63, the
564 Tampa Bay Area Regional Transit Authority created pursuant to s.
565 343.92, the Greater Miami Expressway Agency created pursuant to
566 s. 348.0304, the Tampa-Hillsborough County Expressway Authority
567 created pursuant to s. 348.52, the Central Florida Expressway
568 Authority created pursuant to s. 348.753, the Jacksonville
569 Transportation Authority created pursuant to s. 349.03, and the
570 Florida Housing Finance Corporation created pursuant to s.
571 420.504.

572 (e) "Rating agency" means any nationally recognized rating
573 service or nationally recognized statistical rating
574 organization.

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

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

583 (a) Issue ESG bonds.

584 (b) Expend public funds as defined in s. 215.85(3) or use
585 moneys derived from the issuance of bonds to pay for the
586 services of a third-party verifier, including, but not limited
587 to, certifying or verifying that bonds may be designated or
588 labeled as ESG bonds, rendering a second-party opinion or
589 producing a verifier's report as to the compliance of proposed
590 ESG bonds with applicable ESG standards and metrics, complying
591 with post-issuance reporting obligations, or other services that
592 are only provided due to the designation or labeling of bonds as
593 ESG bonds.

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

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

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

603 Section 12. Section 215.855, Florida Statutes, is created
 604 to read:

605 215.855 Investment manager external communication.-

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

607 (a) "Governmental entity" means a state, regional, county,
 608 municipal, special district, or other political subdivision
 609 whether executive, judicial, or legislative, including, but not
 610 limited to, a department, division, board, bureau, commission,
 611 authority, district, or agency thereof, or public school,
 612 Florida College System institution, state university, or
 613 associated board.

614 (b) "Investment manager" means a private sector company
 615 that offers one or more investment products or services to a
 616 governmental entity and that has the discretionary investment
 617 authority for direct holdings.

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

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

624 (a) Any written communication made by the investment

625 manager to a company in which such manager invests public funds
626 on behalf of a governmental entity must include the following
627 disclaimer in a conspicuous location if such communication
628 discusses social, political, or ideological interests;
629 subordinates the interests of the company's shareholders to the
630 interest of another entity; or advocates for the interest of an
631 entity other than the company's shareholders:

632
633 The views and opinions expressed in this communication are
634 those of the sender and do not reflect the views and
635 opinions of the people of the State of Florida.

636
637 (b) The contract may be unilaterally terminated at the
638 option of the governmental entity if the investment manager does
639 not include the disclaimer required in paragraph (a).

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

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

645 218.415 Local government investment policies.—Investment
646 activity by a unit of local government must be consistent with a
647 written investment plan adopted by the governing body, or in the
648 absence of the existence of a governing body, the respective
649 principal officer of the unit of local government and maintained

650 by the unit of local government or, in the alternative, such
 651 activity must be conducted in accordance with subsection (17).
 652 Any such unit of local government shall have an investment
 653 policy for any public funds in excess of the amounts needed to
 654 meet current expenses as provided in subsections (1)-(16), or
 655 shall meet the alternative investment guidelines contained in
 656 subsection (17). Such policies shall be structured to place the
 657 highest priority on the safety of principal and liquidity of
 658 funds. The optimization of investment returns shall be secondary
 659 to the requirements for safety and liquidity. Each unit of local
 660 government shall adopt policies that are commensurate with the
 661 nature and size of the public funds within its custody.

662 (24) INVESTMENT DECISIONS.—

663 (a) As used in this subsection, the term "pecuniary
 664 factor" means a factor that the governing body of the unit of
 665 local government, or in the absence of the existence of a
 666 governing body, the respective principal officer of the unit of
 667 local government, prudently determines is expected to have a
 668 material effect on the risk or returns of an investment based on
 669 appropriate investment horizons consistent with applicable
 670 investment objectives and funding policy. The term does not
 671 include the consideration or furtherance of any social,
 672 political, or ideological interests.

673 (b) Notwithstanding any other law, when deciding whether
 674 to invest and when investing public funds pursuant to this

675 section, the unit of local government must make decisions based
676 solely on pecuniary factors and may not subordinate the
677 interests of the people of this state to other objectives,
678 including sacrificing investment return or undertaking
679 additional investment risk to promote any non-pecuniary factor.
680 The weight given to any pecuniary factor must appropriately
681 reflect a prudent assessment of its impact on risk or returns.

682 Section 14. Paragraphs (e) and (f) of subsection (26) of
683 section 280.02, Florida Statutes, are redesignated as paragraphs
684 (g) and (h), respectively, and new paragraphs (e) and (f) are
685 added to that subsection to read:

686 280.02 Definitions.—As used in this chapter, the term:

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

689 (e) Makes determinations about the provision of services
690 or the denial of services based on an analysis of risk factors
691 unique to each individual customer or member. This paragraph
692 does not restrict a qualified public depository that claims a
693 religious purpose from making such determinations based on the
694 religious beliefs, religious exercise, or religious affiliations
695 of a customer or member.

696 (f)1. Does not engage in the unsafe and unsound practice
697 of denying or canceling its services to a person, or otherwise
698 discriminating against a person, on the basis of:

699 a. The person's political opinions, speech, or

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700 affiliations;

701 b. Except as provided in paragraph (e), the person's
702 religious beliefs, religious exercise, or religious
703 affiliations; or

704 c. Any factor if it is not a quantitative, impartial, and
705 risk-based standard, including any factor related to the
706 person's business sector.

707 2. As used in this paragraph, the term "unsafe and unsound
708 practice" includes, but is not limited to, using any rating,
709 scoring, analysis, tabulation, or action that considers a social
710 credit score based on factors including, but not limited to:

711 a. The person's political opinions, speech, or
712 affiliations.

713 b. The person's religious beliefs, religious exercise, or
714 religious affiliations.

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

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

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

721 f. The person's support of the state or federal government
722 in combatting illegal immigration, drug trafficking, or human
723 trafficking.

724 g. The person's engagement with, facilitation of,

725 employment by, support of, business relationship with,
726 representation of, or advocacy for any person described in this
727 subparagraph.

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

731 I. Environmental standards, including emissions standards,
732 benchmarks, requirements, or disclosures;

733 II. Social governance standards, benchmarks, or
734 requirements, including, but not limited to, environmental or
735 social justice;

736 III. Corporate board or company employment composition
737 standards, benchmarks, requirements, or disclosures based on
738 characteristics protected under the Florida Civil Rights Act of
739 1992; or

740 IV. Policies or procedures requiring or encouraging
741 employee participation in social justice programming, including,
742 but not limited to, diversity, equity, or inclusion training.

743 Section 15. Section 280.025, Florida Statutes, is created
744 to read:

745 280.025 Attestation required.—

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

750 (a) A bank, savings bank, or savings association, upon
 751 application or reapplication for designation as a qualified
 752 public depository.

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

755 (2) If an application or reapplication for designation as
 756 a qualified public depository is pending on July 1, 2023, the
 757 bank, savings bank, or savings association must file the
 758 attestation under subsection (1) before being designated or
 759 redesignated a qualified public depository.

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

763 280.05 Powers and duties of the Chief Financial Officer.—
 764 In fulfilling the requirements of this act, the Chief Financial
 765 Officer has the power to take the following actions he or she
 766 deems necessary to protect the integrity of the public deposits
 767 program:

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

770 (d)1. Any related documents, reports, records, or other
 771 information deemed necessary by the Chief Financial Officer in
 772 order to ascertain compliance with this chapter, including, but
 773 not limited to, verifying the attestation required under s.
 774 280.025.

775 2. If the Chief Financial Officer determines that the
776 attestation required under s. 280.025 is materially false, he or
777 she shall report such determination to the Attorney General, who
778 may bring a civil or administrative action for damages,
779 injunctive relief, and such other relief as may be appropriate.
780 If such action is successful, the Attorney General is entitled
781 to reasonable attorney fees and costs.

782 3. In relation to federally chartered financial
783 institutions, this paragraph may not be construed to create a
784 power exceeding the visitorial powers of the Chief Financial
785 Officer allowed under federal law.

786 (17) Suspend or disqualify or disqualify after suspension
787 any qualified public depository that has violated any of the
788 provisions of this chapter or of rules adopted hereunder or that
789 no longer meets the definition of a qualified public depository
790 under s. 280.02.

791 (a) Any qualified public depository that is suspended or
792 disqualified pursuant to this subsection is subject to the
793 provisions of s. 280.11(2) governing withdrawal from the public
794 deposits program and return of pledged collateral. Any
795 suspension shall not exceed a period of 6 months. Any qualified
796 public depository which has been disqualified may not reapply
797 for qualification until after the expiration of 1 year from the
798 date of the final order of disqualification or the final
799 disposition of any appeal taken therefrom.

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

803 (c) If the Chief Financial Officer has reason to believe
 804 that any qualified public depository or any other financial
 805 institution holding public deposits is or has been violating any
 806 of the provisions of this chapter, is or has been violating any
 807 provisions of rules adopted hereunder, or no longer meets the
 808 definition of a qualified public depository under s. 280.02, he
 809 or she may issue to the qualified public depository or other
 810 financial institution an order to cease and desist from the
 811 violation or to correct the condition giving rise to or
 812 resulting from the violation. If any qualified public depository
 813 or other financial institution violates a cease-and-desist or
 814 corrective order, the Chief Financial Officer may impose an
 815 administrative penalty upon the qualified public depository or
 816 other financial institution as provided in s. 280.054 or s.
 817 280.055. In addition to the administrative penalty, the Chief
 818 Financial Officer may suspend or disqualify any qualified public
 819 depository for violation of any order issued pursuant to this
 820 paragraph.

821 Section 17. Subsections (14) and (15) are added to section
 822 280.051, Florida Statutes, to read:

823 280.051 Grounds for suspension or disqualification of a
 824 qualified public depository.—A qualified public depository may

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825 | be suspended or disqualified or both if the Chief Financial
826 | Officer determines that the qualified public depository has:

827 | (14) Failed to file the attestation required under s.
828 | 280.025.

829 | (15) No longer meets the definition of a qualified public
830 | depository under s. 280.02.

831 | Section 18. Paragraph (b) of subsection (1) of section
832 | 280.054, Florida Statutes, is amended to read:

833 | 280.054 Administrative penalty in lieu of suspension or
834 | disqualification.—

835 | (1) If the Chief Financial Officer finds that one or more
836 | grounds exist for the suspension or disqualification of a
837 | qualified public depository, the Chief Financial Officer may, in
838 | lieu of suspension or disqualification, impose an administrative
839 | penalty upon the qualified public depository.

840 | (b) With respect to any knowing and willful violation of a
841 | lawful order or rule, the Chief Financial Officer may impose a
842 | penalty upon the qualified public depository in an amount not
843 | exceeding \$1,000 for each violation. If restitution is due, the
844 | qualified public depository shall make restitution upon the
845 | order of the Chief Financial Officer and shall pay interest on
846 | such amount at the legal rate. Each day a violation continues
847 | constitutes a separate violation. Failure to timely file the
848 | attestation required under s. 280.025 is deemed a knowing and
849 | willful violation.

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

853 280.055 Cease and desist order; corrective order;
 854 administrative penalty.—

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

857 (e) A qualified public depository or a custodian has not
 858 furnished to the Chief Financial Officer, when the Chief
 859 Financial Officer requested, a power of attorney or bond power
 860 or bond assignment form required by the bond agent or bond
 861 trustee for each issue of registered certificated securities
 862 pledged and registered in the name, or nominee name, of the
 863 qualified public depository or custodian; ~~or~~

864 (f) A qualified public depository; a bank, savings
 865 association, or other financial institution; or a custodian has
 866 committed any other violation of this chapter or any rule
 867 adopted pursuant to this chapter that the Chief Financial
 868 Officer determines may be remedied by a cease and desist order
 869 or corrective order; or

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

872 Section 20. Section 287.05701, Florida Statutes, is
 873 created to read:

874 287.05701 Prohibition against considering social,

875 political, or ideological interests in government contracting.-

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

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

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

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

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

889 (3) Beginning July 1, 2023, any solicitation for the
 890 procurement of commodities or contractual services by an
 891 awarding body must include a provision notifying vendors of the
 892 provisions of this section.

893 Section 21. Section 516.037, Florida Statutes, is created
 894 to read:

895 516.037 Unsafe and unsound practices.-

896 (1) Licensees must make determinations about the provision
 897 or denial of services based on an analysis of risk factors
 898 unique to each individual current or prospective customer. This
 899 subsection does not restrict a licensee that claims a religious

900 purpose from making such determinations based on the current or
901 prospective customer's religious beliefs, religious exercise, or
902 religious affiliations.

903 (2)(a) It is an unsafe and unsound practice for a licensee
904 to deny or cancel its services to a person, or to otherwise
905 discriminate against a person, on the basis of:

906 1. The person's political opinions, speech, or
907 affiliations;

908 2. Except as provided in subsection (1), the person's
909 religious beliefs, religious exercise, or religious
910 affiliations; or

911 3. Any factor if it is not a quantitative, impartial, and
912 risk-based standard, including any factor related to the
913 person's business sector.

914 (b) As used in this subsection, the term "unsafe and
915 unsound practice" includes, but is not limited to, using any
916 rating, scoring, analysis, tabulation, or action that considers
917 a social credit score based on factors including, but not
918 limited to:

919 1. The person's political opinions, speech, or
920 affiliations.

921 2. The person's religious beliefs, religious exercise, or
922 religious affiliations.

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

924 4. The person's engagement in the lawful manufacture,

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925 distribution, sale, purchase, or use of firearms or ammunition.

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

929 6. The person's support of the state or federal government
930 in combatting illegal immigration, drug trafficking, or human
931 trafficking.

932 7. The person's engagement with, facilitation of,
933 employment by, support of, business relationship with,
934 representation of, or advocacy for any person described in this
935 paragraph.

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

939 a. Environmental standards, including emissions standards,
940 benchmarks, requirements, or disclosures;

941 b. Social governance standards, benchmarks, or
942 requirements, including, but not limited to, environmental or
943 social justice;

944 c. Corporate board or company employment composition
945 standards, benchmarks, requirements, or disclosures based on
946 characteristics protected under the Florida Civil Rights Act of
947 1992; or

948 d. Policies or procedures requiring or encouraging
949 employee participation in social justice programming, including,

950 but not limited to, diversity, equity, or inclusion training.

951 (3) Beginning July 1, 2023, and upon application for a
 952 license or license renewal, applicants and licensees must
 953 attest, under penalty of perjury, on a form prescribed by the
 954 commission whether the applicant or licensee is acting in
 955 compliance with subsection (2).

956 (4) A practice described in subsection (2) is a failure to
 957 comply with this chapter, constitutes a violation of this
 958 chapter, and is subject to the applicable sanctions and
 959 penalties provided for in this chapter.

960 (5) A practice described in subsection (2) constitutes a
 961 violation of the Florida Deceptive and Unfair Trade Practices
 962 Act under part II of chapter 501. Violations shall be enforced
 963 by the enforcing authority, as defined in s. 501.203(2), and
 964 shall subject the violator to any and all sanctions and
 965 penalties provided for in that part. If such action is
 966 successful, the enforcing authority is entitled to reasonable
 967 attorney fees and costs.

968 Section 22. Section 560.1115, Florida Statutes, is created
 969 to read:

970 560.1115 Unsafe and unsound practices.—

971 (1) Licensees must make determinations about the provision
 972 or denial of services based on an analysis of risk factors
 973 unique to each individual current or prospective customer. This
 974 subsection does not restrict a licensee that claims a religious

975 purpose from making such determinations based on the current or
976 prospective customer's religious beliefs, religious exercise, or
977 religious affiliations.

978 (2)(a) It is an unsafe and unsound practice for a licensee
979 to deny or cancel its services to a person, or to otherwise
980 discriminate against a person, on the basis of:

981 1. The person's political opinions, speech, or
982 affiliations;

983 2. Except as provided in subsection (1), the person's
984 religious beliefs, religious exercise, or religious
985 affiliations; or

986 3. Any factor if it is not a quantitative, impartial, and
987 risk-based standard, including any factor related to the
988 person's business sector.

989 (b) As used in this subsection, the term "unsafe and
990 unsound practice" includes, but is not limited to, using any
991 rating, scoring, analysis, tabulation, or action that considers
992 a social credit score based on factors including, but not
993 limited to:

994 1. The person's political opinions, speech, or
995 affiliations.

996 2. The person's religious beliefs, religious exercise, or
997 religious affiliations.

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

999 4. The person's engagement in the lawful manufacture,

1000 distribution, sale, purchase, or use of firearms or ammunition.

1001 5. The person's engagement in the exploration, production,

1002 utilization, transportation, sale, or manufacture of fossil

1003 fuel-based energy, timber, mining, or agriculture.

1004 6. The person's support of the state or federal government

1005 in combatting illegal immigration, drug trafficking, or human

1006 trafficking.

1007 7. The person's engagement with, facilitation of,

1008 employment by, support of, business relationship with,

1009 representation of, or advocacy for any person described in this

1010 paragraph.

1011 8. The person's failure to meet or commit to meet, or

1012 expected failure to meet, any of the following as long as such

1013 person is in compliance with applicable state or federal law:

1014 a. Environmental standards, including emissions standards,

1015 benchmarks, requirements, or disclosures;

1016 b. Social governance standards, benchmarks, or

1017 requirements, including, but not limited to, environmental or

1018 social justice;

1019 c. Corporate board or company employment composition

1020 standards, benchmarks, requirements, or disclosures based on

1021 characteristics protected under the Florida Civil Rights Act of

1022 1992; or

1023 d. Policies or procedures requiring or encouraging

1024 employee participation in social justice programming, including,

1025 but not limited to, diversity, equity, or inclusion training.

1026 (3) Beginning July 1, 2023, and upon application for a
 1027 license or license renewal, applicants and licensees, as
 1028 applicable, must attest, under penalty of perjury, on a form
 1029 prescribed by the commission whether the applicant or licensee
 1030 is acting in compliance with subsection (2).

1031 (4) A practice described in subsection (2) is a failure to
 1032 comply with this chapter, constitutes a violation of this
 1033 chapter, and is subject to the applicable sanctions and
 1034 penalties provided for in this chapter.

1035 (5) A practice described in subsection (2) constitutes a
 1036 violation of the Florida Deceptive and Unfair Trade Practices
 1037 Act under part II of chapter 501. Violations shall be enforced
 1038 by the enforcing authority, as defined in s. 501.203(2), and
 1039 shall subject the violator to any and all sanctions and
 1040 penalties provided for in that part. If such action is
 1041 successful, the enforcing authority is entitled to reasonable
 1042 attorney fees and costs.

1043 Section 23. Paragraph (y) of subsection (1) of section
 1044 655.005, Florida Statutes, is amended to read:

1045 655.005 Definitions.—

1046 (1) As used in the financial institutions codes, unless
 1047 the context otherwise requires, the term:

1048 (y) "Unsafe or unsound practice" or "unsafe and unsound
 1049 practice" means:

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1050 1. Any practice or conduct found by the office to be
 1051 contrary to generally accepted standards applicable to a
 1052 financial institution, or a violation of any prior agreement in
 1053 writing or order of a state or federal regulatory agency, which
 1054 practice, conduct, or violation creates the likelihood of loss,
 1055 insolvency, or dissipation of assets or otherwise prejudices the
 1056 interest of the financial institution or its depositors or
 1057 members. In making this determination, the office must consider
 1058 the size and condition of the financial institution, the gravity
 1059 of the violation, and the prior conduct of the person or
 1060 institution involved; or

1061 2. Any practice described in s. 655.0323.

1062 Section 24. Section 655.0323, Florida Statutes, is created
 1063 to read:

1064 655.0323 Unsafe and unsound practices.-

1065 (1) Financial institutions must make determinations about
 1066 the provision or denial of services based on an analysis of risk
 1067 factors unique to each individual current or prospective
 1068 customer or member. This subsection does not restrict a
 1069 financial institution that claims a religious purpose from
 1070 making such determinations based on the current or prospective
 1071 customer's or member's religious beliefs, religious exercise, or
 1072 religious affiliations.

1073 (2) (a) It is an unsafe and unsound practice for a
 1074 financial institution to deny or cancel its services to a

1075 person, or to otherwise discriminate against a person, on the
1076 basis of:

1077 1. The person's political opinions, speech, or
1078 affiliations;

1079 2. Except as provided in subsection (1), the person's
1080 religious beliefs, religious exercise, or religious
1081 affiliations;

1082 3. Any factor if it is not a quantitative, impartial, and
1083 risk-based standard, including any factor related to the
1084 person's business sector.

1085 (b) As used in this subsection, the term "unsafe and
1086 unsound practice" includes, but is not limited to, using any
1087 rating, scoring, analysis, tabulation, or action that considers
1088 a social credit score based on factors including, but not
1089 limited to:

1090 1. The person's political opinions, speech, or
1091 affiliations.

1092 2. The person's religious beliefs, religious exercise, or
1093 religious affiliations.

1094 3. The person's lawful ownership of a firearm.

1095 4. The person's engagement in the lawful manufacture,
1096 distribution, sale, purchase, or use of firearms or ammunition.

1097 5. The person's engagement in the exploration, production,
1098 utilization, transportation, sale, or manufacture of fossil
1099 fuel-based energy, timber, mining, or agriculture.

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1100 6. The person's support of the state or federal government
1101 in combatting illegal immigration, drug trafficking, or human
1102 trafficking.

1103 7. The person's engagement with, facilitation of,
1104 employment by, support of, business relationship with,
1105 representation of, or advocacy for any person described in this
1106 paragraph.

1107 8. The person's failure to meet or commit to meet, or
1108 expected failure to meet, any of the following as long as such
1109 person is in compliance with applicable state or federal law:

1110 a. Environmental standards, including emissions standards,
1111 benchmarks, requirements, or disclosures;

1112 b. Social governance standards, benchmarks, or
1113 requirements, including, but not limited to, environmental or
1114 social justice;

1115 c. Corporate board or company employment composition
1116 standards, benchmarks, requirements, or disclosures based on
1117 characteristics protected under the Florida Civil Rights Act of
1118 1992; or

1119 d. Policies or procedures requiring or encouraging
1120 employee participation in social justice programming, including,
1121 but not limited to, diversity, equity, or inclusion training.

1122 (3) Beginning July 1, 2023, and by July 1 of each year
1123 thereafter, financial institutions subject to the financial
1124 institutions codes must attest, under penalty of perjury, on a

1125 form prescribed by the commission whether the entity is acting
 1126 in compliance with subsection (2).

1127 (4) A practice described in subsection (2) is a failure to
 1128 comply with this chapter, constitutes a violation of the
 1129 financial institutions codes, and is subject to the applicable
 1130 sanctions and penalties provided for in the financial
 1131 institutions codes.

1132 (5) Notwithstanding s. 501.212, a practice described in
 1133 subsection (2) constitutes a violation of the Florida Deceptive
 1134 and Unfair Trade Practices Act under part II of chapter 501.
 1135 Violations shall be enforced by the enforcing authority, as
 1136 defined in s. 501.203(2), and shall subject the violator to any
 1137 and all sanctions and penalties provided for in that part. If
 1138 such action is successful, the enforcing authority is entitled
 1139 to reasonable attorney fees and costs.

1140 (6) The office and the commission may not exercise
 1141 authority pursuant to s. 655.061 in relation to this section.

1142 Section 25. Subsection (5) is added to section 1010.04,
 1143 Florida Statutes, to read:

1144 1010.04 Purchasing.—

1145 (5) Beginning July 1, 2023, school districts, Florida
 1146 College System institutions, and state universities may not:

1147 (a) Request documentation of or consider a vendor's
 1148 social, political, or ideological interests.

1149 (b) Give preference to a vendor based on the vendor's

1150 social, political, or ideological interests.

1151

1152 Any solicitation for purchases and leases must include a
1153 provision notifying vendors of the provisions of this
1154 subsection.

1155 Section 26. For the purpose of incorporating the amendment
1156 made by this act to section 17.57, Florida Statutes, in
1157 references thereto, subsection (1) of section 17.61, Florida
1158 Statutes, is reenacted to read:

1159 17.61 Chief Financial Officer; powers and duties in the
1160 investment of certain funds.—

1161 (1) The Chief Financial Officer shall invest all general
1162 revenue funds and all the trust funds and all agency funds of
1163 each state agency, and of the judicial branch, as defined in s.
1164 216.011, and may, upon request, invest funds of any board,
1165 association, or entity created by the State Constitution or by
1166 law, except for the funds required to be invested pursuant to
1167 ss. 215.44-215.53, by the procedure and in the authorized
1168 securities prescribed in s. 17.57; for this purpose, the Chief
1169 Financial Officer may open and maintain one or more demand and
1170 safekeeping accounts in any bank or savings association for the
1171 investment and reinvestment and the purchase, sale, and exchange
1172 of funds and securities in the accounts. Funds in such accounts
1173 used solely for investments and reinvestments shall be
1174 considered investment funds and not funds on deposit, and such

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1175 funds shall be exempt from the provisions of chapter 280. In
1176 addition, the securities or investments purchased or held under
1177 the provisions of this section and s. 17.57 may be loaned to
1178 securities dealers and banks and may be registered by the Chief
1179 Financial Officer in the name of a third-party nominee in order
1180 to facilitate such loans, provided the loan is collateralized by
1181 cash or United States government securities having a market
1182 value of at least 100 percent of the market value of the
1183 securities loaned. The Chief Financial Officer shall keep a
1184 separate account, designated by name and number, of each fund.
1185 Individual transactions and totals of all investments, or the
1186 share belonging to each fund, shall be recorded in the accounts.

1187 Section 27. For the purpose of incorporating the amendment
1188 made by this act to section 215.47, Florida Statutes, in
1189 references thereto, subsection (3) of section 215.44, Florida
1190 Statutes, is reenacted to read:

1191 215.44 Board of Administration; powers and duties in
1192 relation to investment of trust funds.—

1193 (3) Notwithstanding any law to the contrary, all
1194 investments made by the State Board of Administration pursuant
1195 to ss. 215.44-215.53 shall be subject to the restrictions and
1196 limitations contained in s. 215.47, except that investments made
1197 by the State Board of Administration under a trust agreement
1198 pursuant to subsection (1) shall be subject only to the
1199 restrictions and limitations contained in the trust agreement.

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Section 28. This act shall take effect July 1, 2023.