

HOUSE MESSAGE SUMMARY

Date: April 29, 1998
Bill Subject: State Investments
Prepared By: Senate Committee on Banking and Insurance

I. Amendments Contained in Message

House Amendment 083715 (body with title)

II. Summary of Amendments Contained in Message

House Amendment 1

This amendment is substantially similar to CS/CS/SB 1548, which was favorably voted out of BI on April 7, 1998. The Florida Interstate Branching Act of 1996 (96-168, L.O.F.) authorized interstate branching into Florida through acquisition. Out-of-state banks and savings and loans were authorized to have branches in Florida. As a result, the definition of “qualified public depository” in chapter 280, F.S., was amended in 1997 to include banks and savings and loans chartered in other states and having a branch or a principal place of business in Florida to become qualified public depositories. Various other investment laws for governmental units within the Florida Statutes presently limit the deposit of public funds only to financial institutions chartered in Florida. The amendment provides conforming and clarifying changes to authorize a financial institution that has a branch or principal place of business in Florida, as defined in s. 658.12, F.S., to act as a qualified public depository.

The amendment also provides the following changes to the Florida Security for Public Deposit Act (ch. 280, F.S.):

Requires the public depositor to assume greater responsibility in the protection of their public deposits;

Requires qualified public depositories to have greater accountability in classifying, reporting, and the collateralization of public deposits and provide annual confirmation of public deposits accounts;

SPONSOR: Finance and Taxation, Rep. Gay and
others (Governmental Reform and
Oversight Committee and Senator
Kurth)

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Requires the Treasurer to compare public deposits information reported annually by qualified public depositories and public depositors, only for those qualified public depositories ranked in the lowest category based on established financial condition criteria;

Combines the two three-member advisory committees (one for banks and one for savings and loans associations) to form one six-member committee; and

Combines the two separate contingent liability pools, one for banks and one for savings and loan associations, to form one contingent liability pool.