

By Representative C. Green

1 A bill to be entitled
 2 An act relating to to banking; amending s.
 3 655.0385, F.S.; authorizing the Department of
 4 Banking and Finance to exempt certain financial
 5 institutions from certain notice requirements
 6 under certain circumstances; authorizing the
 7 department to adopt rules; amending s. 655.948,
 8 F.S.; clarifying conditions under which the
 9 department may exempt certain financial
 10 institutions from certain notice requirements;
 11 specifying continued application of such notice
 12 requirements to certain financial institutions;
 13 amending s. 658.26, F.S.; authorizing certain
 14 financial institutions to establish branches
 15 without being subject to certain requirements
 16 under certain circumstances; providing an
 17 effective date.

18
 19 Be It Enacted by the Legislature of the State of Florida:

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 21 Section 1. Subsection (1) of section 655.0385, Florida
 22 Statutes, is amended, and subsection (4) is added to said
 23 section, to read:

24 655.0385 Disapproval of directors and executive
 25 officers.--

26 (1) Each state financial institution shall notify the
 27 department of the proposed appointment of any individual to
 28 the board of directors or the employment of any individual as
 29 an executive officer or equivalent position at least 60 ~~30~~
 30 days before such appointment or employment becomes effective,
 31 if the state financial institution:

- 1 (a) Has been chartered for less than 2 years;
2 (b) Has undergone a change in control or conversion
3 within the preceding 2 years, however, the department may
4 exempt from this paragraph any financial institution which
5 operates in a safe and sound manner in order to reduce the
6 regulatory burden on such institution;
7 (c) Is not in compliance with the minimum capital
8 requirements applicable to such financial institution; or
9 (d) Is otherwise operating in an unsafe and unsound
10 condition, as determined by the department, on the basis of
11 such financial institution's most recent report of condition
12 or report of examination.
13 (4) The department may adopt rules to implement this
14 section.

15 Section 2. Subsection (4) of section 655.948, Florida
16 Statutes, is amended to read:

17 655.948 Significant events; notice required.--

18 (4)(a) The department shall ~~will~~ exempt a financial
19 institution from any of the provisions of this section if the
20 department determines that such financial institution is
21 operating in a safe and sound manner in accordance with
22 department rules relating to safe and sound operations. The
23 department, prior to granting any such exemption, shall adopt
24 rules defining the term "safe and sound" and explicitly
25 stating the criteria which shall constitute operating in a
26 safe and sound manner.

27 (b) Notwithstanding paragraph (a) ~~this section~~, all
28 newly chartered financial institutions ~~and financial~~
29 ~~institutions which have undergone a change in ownership which~~
30 ~~is not the result of a merger, consolidation or acquisition by~~
31 ~~a financial institution exempted in paragraph (a)~~, shall be

1 subject to the requirements of subsections (1) and (2)~~these~~
2 ~~provisions~~ for 3 years.

3 Section 3. Paragraph (c) of subsection (2) of section
4 658.26, Florida Statutes, is amended to read:

5 658.26 Places of transacting business; branches;
6 facilities.--

7 (2)

8 (c) As provided by rule of the department, a financial
9 institution operating in a safe and sound manner may establish
10 a branch by filing a written notice with the department at
11 least 30 days prior to opening such branch. In such case, the
12 financial institution shall not be required to file a branch
13 application nor pay a branch application fee ~~A branch~~
14 ~~application, filed by a strong, well-managed state bank or~~
15 ~~trust company, which is not denied within 10 working days~~
16 ~~after receipt of the application shall be deemed approved~~
17 ~~unless the department notifies the financial institution in~~
18 ~~writing that the application was not complete.~~

19
20 For the purposes of this section, a strong, well-managed state
21 bank or trust company is an institution that has been in
22 operation for at least 24 months, is well capitalized, has
23 received a satisfactory rating at the institution's most
24 recent state or federal safety and soundness examination, and
25 is not the object of any enforcement action.

26 Section 4. This act shall take effect July 1, 1999.

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HOUSE SUMMARY

Exempts financial institutions which operate in a safe and sound manner from specified notice requirements and authorizes such institutions to establish branches without being required to file a branch application and pay an application fee. Provides for the Department of Banking and Finance to adopt rules relating to safe and sound operations of financial institutions.