

By the Committee on Banking and Insurance; and Senator King

311-1859-00

1 A bill to be entitled
2 An act relating to banking; amending s. 658.12,
3 F.S.; amending s. 658.165, F.S., relating to
4 banker's banks; specifying criteria under which
5 such a bank may provide services to a financial
6 institution in organization or to a proposed
7 financial institution; amending s. 658.34,
8 F.S.; providing conditions for certain stock
9 dividends issued by a bank or trust company;
10 clarifying the term "banker's bank"; providing
11 legislative intent specifying certain deposits
12 as pay-on-death-designated accounts under
13 certain circumstances; repealing s. 655.81,
14 F.S., relating to deposits in trust; providing
15 application; providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Subsection (3) of section 658.12, Florida
20 Statutes, is amended to read:

21 658.12 Definitions.--Subject to other definitions
22 contained in the financial institutions codes and unless the
23 context otherwise requires:

24 (3) "Banker's bank" means a bank insured by the
25 Federal Deposit Insurance Corporation, or a holding company
26 which owns or controls such an insured bank, when the stock of
27 such bank or holding company is owned exclusively by other
28 banks and such bank or holding company and all subsidiaries
29 thereof are engaged exclusively in providing services for
30 other financial ~~depository~~ institutions and their officers,
31 directors, and employees.

1 Section 2. Section 658.165, Florida Statutes, is
2 amended to read:

3 658.165 Banker's banks; formation; applicability of
4 financial institutions codes; exceptions.--

5 (1) When authorized by the department, a corporation
6 may be formed under the laws of this state for the purpose of
7 becoming a banker's bank. An application for authority to
8 organize a banker's bank is subject to the provisions of ss.
9 658.19, 658.20, and 658.21, except that the provisions of ss.
10 658.20(1)(b) and (c) and 658.21(2) do not apply.

11 (2) A banker's bank chartered pursuant to subsection
12 (1) shall be subject to the provisions of the financial
13 institutions codes and rules adopted thereunder; and, except
14 as otherwise specifically provided herein or by rule or order
15 of the department, a banker's bank shall be vested with or
16 subject to the same rights, privileges, duties, restrictions,
17 penalties, liabilities, conditions, and limitations that would
18 apply to a state bank.

19 (3) Notwithstanding any other provision of this
20 chapter, a banker's bank may repurchase, for its own account,
21 shares of its own capital stock; however, the outstanding
22 capital stock may not be reduced below the minimum required by
23 this chapter without the prior approval of the department.

24 (4) A banker's bank may provide services at the
25 request of a financial institution in organization that has:

26 (a) Received conditional regulatory approval from the
27 department, in the case of a state bank, or received
28 preliminary approval from the Office of the Comptroller of the
29 Currency, in the case of a national bank;

30 (b) Filed articles of incorporation under s. 658.23,
31 in the case of a state bank, or filed acceptable articles of

1 incorporation and an organization certificate, in the case of
2 a national bank; and

3 (c) Received capital funds in an amount not less than
4 the minimum capitalization required in any notice of or order
5 granting conditional regulatory approval.

6 (5) A banker's bank may provide services to the
7 organizers of a proposed financial institution that has not
8 received conditional regulatory approval if such services are
9 limited to the financing of the expenses of organizing such
10 financial institution and expenses relating to the acquisition
11 or construction of the institution's proposed operating
12 facilities and associated fixtures and equipment.

13 (6)(4) If the department finds that any provision of
14 this chapter is inconsistent with the purpose for which a
15 banker's bank is organized and that the welfare of the public
16 or any financial institution would not be jeopardized thereby,
17 it may by rule or order exempt a banker's bank from such
18 provision or limit the application thereof.

19 Section 3. Subsection (4) of section 658.34, Florida
20 Statutes, is amended to read:

21 658.34 Shares of capital stock.--

22 (4) With the approval of the department, a bank or
23 trust company may issue less than all the number of shares of
24 any of its capital stock authorized by its articles of
25 incorporation. Such authorized but unissued shares may be
26 issued only for the following purposes:

27 (a) To provide for stock options as provided in s.
28 658.35.

29 (b) To declare or pay a stock dividend; however, any
30 such stock dividend must comply with this section and s.
31 658.37, with the approval of the department.

1 (c) To increase the capital of the bank or trust
2 company, with the approval of the department.

3 Section 4. (1) Because deposits in trust are also
4 accounts with a pay-on-death designation as described in
5 section 655.82, Florida Statutes, it is the intent of the
6 Legislature that the provisions of section 655.82, Florida
7 Statutes, shall apply to and govern deposits in trust.
8 References to section 655.81, Florida Statutes, in any
9 depository agreement shall be interpreted after the effective
10 date of this act as references to section 655.82, Florida
11 Statutes.

12 (2) This section shall take effect July 1, 2000, and
13 shall apply to deposits made to a depository account after
14 December 31, 1994.

15 Section 5. Effective July 1, 2000, section 655.81,
16 Florida Statutes, is repealed.

17 Section 6. Except as otherwise provided in this act,
18 this act shall take effect upon becoming a law.

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20 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
21 COMMITTEE SUBSTITUTE FOR
22 Senate Bill 2388

23 The committee substitute makes the following changes:

- 24 - Authorizes a bank or trust company to pay a stock
25 dividend, without the Department of Banking and
26 Finance's approval, if the bank or trust company
27 complies with the provisions of s. 658.37, F.S.
28 - Amends the regulatory provisions relating to banker's
29 banks to authorize a bankers' bank to provide additional
30 services to, and on behalf of, a financial institution,
31 1) that has filed articles of incorporation or 2) has
received capital funds in an amount not less than the
minimum capitalization requirements.