

By the Committee on Banking and Insurance; and Senator  
Constantine

311-1698-01

1                                   A bill to be entitled  
2           An act relating to security for public  
3           deposits; revising the Florida Security for  
4           Public Deposits Act; amending s. 280.02, F.S.;  
5           defining terms; amending s. 280.04, F.S.;  
6           revising general provisions relating to  
7           collateral for public deposits; amending s.  
8           280.041, F.S.; prescribing requirements for  
9           collateral arrangements; prescribing  
10          requirements for Federal Reserve Bank  
11          agreements; allowing the use of letters of  
12          credit under certain conditions; revising the  
13          description of triggering events that result in  
14          the Treasurer's requiring certain deposits or  
15          transfers for the purpose of properly  
16          maintaining collateral; amending s. 280.05,  
17          F.S.; revising the powers and duties of the  
18          Treasurer; amending s. 280.051, F.S.;  
19          specifying the grounds for suspending or  
20          disqualifying a qualified public depository;  
21          amending s. 280.054, F.S.; describing acts for  
22          which a qualified public depository is subject  
23          to an administrative penalty; amending s.  
24          280.055, F.S.; revising grounds for the  
25          issuance of cease and desist orders and  
26          corrective orders; amending s. 280.07, F.S.;  
27          providing for contingent liability of a  
28          qualified public depository; creating s.  
29          280.071, F.S.; creating the Qualified Public  
30          Depository Oversight Board; providing the  
31          purpose of the board; providing for identifying

1 representative qualified public depositories;  
2 providing for member selection and  
3 responsibilities; providing for rulemaking by  
4 the Treasurer; amending s. 280.08, F.S.;  
5 prescribing the procedure for payment of losses  
6 after a default or insolvency has occurred;  
7 conforming a cross-reference; amending s.  
8 280.09, F.S.; providing for deposit into the  
9 Public Deposits Trust Fund of the draw on  
10 letters of credit held as collateral;  
11 conforming a cross-reference; amending s.  
12 280.10, F.S.; providing for the effect of  
13 consolidations of a qualified public depository  
14 with an institution that is not such a  
15 depository; providing for rulemaking; amending  
16 s. 280.11, F.S.; conforming a cross-reference;  
17 amending s. 280.13, F.S.; providing collateral  
18 requirements for letters of credit issued by a  
19 Federal Home Loan Bank; amending other  
20 collateral requirements; providing for  
21 rulemaking; amending s. 280.16, F.S.;  
22 eliminating a date that is no longer relevant;  
23 prescribing requirements of qualified public  
24 depositories; providing an effective date.

25  
26 Be It Enacted by the Legislature of the State of Florida:

27  
28 Section 1. Section 280.02, Florida Statutes, is  
29 amended to read:

30 280.02 Definitions.--As used in this chapter, the  
31 term:

1           (1) "Affiliate" means an entity that is related  
2 through a parent corporation's controlling interest. The term  
3 also includes any financial institution holding company or any  
4 subsidiary or service corporation of such holding company.

5           (2) "Alternative participation agreement" means an  
6 agreement to restrictions which a qualified public depository  
7 must complete as an alternative to withdrawing immediately  
8 from the public deposits program due to the public  
9 depository's financial condition.

10          ~~(3)~~(2) "Average daily balance" means the average daily  
11 balance of public deposits held during the reported month. The  
12 average daily balance must be determined by totaling, by  
13 account, the daily balances held by the depositor and then  
14 dividing the total by the number of calendar days in the  
15 month. Deposit insurance is then deducted from each account  
16 balance and the resulting amounts are totaled to obtain the  
17 average daily balance.

18          ~~(4)~~(3) "Average monthly balance" means the average  
19 monthly balance of public deposits held, before deducting  
20 deposit insurance, by the depository during any 12 calendar  
21 months. The average monthly balance of the previous 12  
22 calendar months must be determined by adding the average daily  
23 balance before deducting deposit insurance for the reported  
24 month and the average daily balances before deducting deposit  
25 insurance for the 11 months preceding that month and dividing  
26 the total by 12.

27          ~~(5)~~(4) "Book-entry form" means that securities are not  
28 represented by a paper certificate but represented by an  
29 account entry on the records of a depository trust clearing  
30 system or, in the case of United States Government securities,  
31 a Federal Reserve Bank.

1           (6)~~(5)~~ "Capital account" means total equity capital,  
2 as defined on the balance-sheet portion of the Consolidated  
3 Reports of Condition and Income (call report) or the Thrift  
4 Financial Report, less intangible assets, as submitted to the  
5 regulatory banking authority.

6           (7)~~(6)~~ "Collateral-pledging level," for qualified  
7 public depositories, means the percentage of collateral  
8 required to be pledged as provided in s. 280.04 by a financial  
9 institution.

10           (8)~~(7)~~ "Current month" means the month immediately  
11 following the month for which the monthly report is due from  
12 qualified public depositories.

13           (9)~~(8)~~ "Custodian" means the Treasurer or any bank,  
14 savings association, or trust company that:

15           (a) Is organized and existing under the laws of this  
16 state, any other state, or the United States;

17           (b) Has executed all forms required under this chapter  
18 or any rule adopted hereunder;

19           (c) Agrees to be subject to the jurisdiction of the  
20 courts of this state, or of courts of the United States which  
21 are located within this state, for the purpose of any  
22 litigation arising out of this chapter; and

23           (d) Has been approved by the Treasurer to act as a  
24 custodian.

25           (10)~~(9)~~ "Default or insolvency" includes, without  
26 limitation, the failure or refusal of a qualified public  
27 depository to pay any check or warrant drawn upon sufficient  
28 and collected funds by any public depositor or to return any  
29 deposit on demand or at maturity together with interest as  
30 agreed; the issuance of an order by any supervisory authority  
31 restraining such depository from making payments of deposit

1 liabilities; or the appointment of a receiver for such  
2 depository.

3 (11)~~(10)~~ "Effective date of notice of withdrawal or  
4 order of discontinuance" pursuant to s. 280.11(3) means that  
5 date which is set out as such in any notice of withdrawal or  
6 order of discontinuance from the Treasurer.

7 (12)~~(11)~~ "Eligible collateral" means securities,  
8 Federal Home Loan Bank letters of credit, and cash,as  
9 designated in s. 280.13.

10 (13)~~(12)~~ "Financial institution" means, including, but  
11 not limited to, an association, bank, brokerage firm, credit  
12 union, industrial savings bank, savings and loan association,  
13 trust company, or other type of financial institution  
14 organized under the laws of this state or any other state of  
15 the United States and doing business in this state or any  
16 other state, in the general nature of the business conducted  
17 by banks and savings associations.

18 (14)~~(13)~~ "Governmental unit" means the state or any  
19 county, school district, community college district, special  
20 district, metropolitan government, or municipality, including  
21 any agency, board, bureau, commission, and institution of any  
22 of such entities, or any court.

23 (15)~~(14)~~ "Loss to public depositors" means loss of all  
24 principal and all interest or other earnings on the principal  
25 accrued or accruing as of the date the qualified public  
26 depository was declared in default or insolvent.

27 (16) "Market value" means the value of collateral  
28 calculated pursuant to s. 280.04.

29 (17)~~(15)~~ "Operating subsidiary" means the qualified  
30 public depository's 100-percent owned corporation that has  
31 ownership of pledged collateral. The operating subsidiary may

1 have no powers beyond those that its parent qualified public  
2 depository may itself exercise. The use of an operating  
3 subsidiary is at the discretion of the qualified public  
4 depository and must meet the Treasurer's requirements.

5 (18) "Oversight board" means the Qualified Public  
6 Depository Oversight Board created under s. 280.071 for the  
7 purpose of safeguarding the integrity of the public deposits  
8 program and preventing the realization of loss assessments  
9 through standards, policies, and recommendations for action  
10 made to the Treasurer.

11 (19)~~(16)~~ "Pledged collateral" means securities or cash  
12 held separately and distinctly by an eligible custodian for  
13 the benefit of the Treasurer to be used as security for  
14 Florida public deposits. This includes maturity and call  
15 proceeds.

16 (20)~~(17)~~ "Pledgor" means the qualified public  
17 depository and, if one is used, operating subsidiary.

18 (21)~~(18)~~ "Pool figure" means the total average monthly  
19 balances of public deposits held by all qualified public  
20 depositories during the immediately preceding 12-month period.

21 (22)~~(19)~~ "Previous month" means the month or months  
22 immediately preceding the month for which a monthly report is  
23 due from qualified public depositories.

24 (23)~~(20)~~ "Public deposit" means the moneys of the  
25 state or of any county, school district, community college  
26 district, special district, metropolitan government, or  
27 municipality, including agencies, boards, bureaus,  
28 commissions, and institutions of any of the foregoing, or of  
29 any court, and includes the moneys of all county officers,  
30 including constitutional officers, that are placed on deposit  
31 in a bank, savings bank, or savings association and for which

1 the bank, savings bank, or savings association is required to  
2 maintain reserves. This includes, but is not limited to, time  
3 deposit accounts, demand deposit accounts, and nonnegotiable  
4 certificates of deposit. Moneys in deposit notes and in other  
5 nondeposit accounts such as repurchase or reverse repurchase  
6 operations are not public deposits. Securities, mutual funds,  
7 and similar types of investments are not considered public  
8 deposits and shall not be subject to the provisions of this  
9 chapter.

10 (24)~~(21)~~ "Public depositor" means the Treasurer or  
11 other chief financial officer or designee responsible for  
12 handling public deposits.

13 (25)~~(22)~~ "Public deposits program" means the Florida  
14 Security for Public Deposits Act set forth in administration  
15 of this chapter and any rules adopted under this chapter ~~by or~~  
16 ~~on behalf of the Treasurer.~~

17 (26)~~(23)~~ "Qualified public depository" means any bank,  
18 savings bank, or savings association that:

19 (a) Is organized and exists under the laws of the  
20 United States, the laws of this state or any other state or  
21 territory of the United States.

22 (b) Has its principal place of business in this state  
23 or has a branch office in this state which is authorized under  
24 the laws of this state or of the United States to receive  
25 deposits in this state.

26 (c) Has deposit insurance under the provision of the  
27 Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811  
28 et seq.

29 (d) Has procedures and practices for accurate  
30 identification, classification, reporting, and  
31 collateralization of public deposits.

1 (e) Meets all the requirements of this chapter.

2 (f) Has been designated by the Treasurer as a  
3 qualified public depository.

4 (27)~~(24)~~ "Reported month" means the month for which a  
5 monthly report is due from qualified public depositories.

6 (28)~~(25)~~ "Required collateral" of a qualified public  
7 depository means eligible collateral having a market value  
8 equal to or in excess of the amount required ~~to be pledged~~  
9 pursuant to s. 280.04 ~~as computed and reported monthly or when~~  
10 ~~requested by the Treasurer.~~

11 (29)~~(26)~~ "Treasurer" means the Treasurer of the State  
12 of Florida.

13 (30)~~(27)~~ "Treasurer's custody" means is a collateral  
14 arrangement governed by a contract between a designated  
15 Treasurer's custodian and the Treasurer. This arrangement  
16 requires collateral to be in the Treasurer's name in order to  
17 perfect the security interest.

18 (31)~~(28)~~ "Triggering events" are events set out in s.  
19 280.041 ~~subsection 280.041(4)~~ which give the Treasurer, ~~as~~  
20 ~~pledgee,~~ the right to:

21 (a) Instruct the custodian to transfer securities  
22 pledged, interest payments, and other proceeds of pledged  
23 collateral not previously credited to the pledgor; and~~;~~

24 (b) Demand payment under letters of credit.

25 Section 2. Section 280.04, Florida Statutes, is  
26 amended to read:

27 280.04 Collateral for public deposits; general  
28 provisions.--

29 (1) The Treasurer shall determine the collateral  
30 requirements and collateral pledging level for each qualified  
31 public depository following procedures established by rule.



1 These procedures shall include numerical parameters for  
2 25-percent, 50-percent, 125-percent, and 200-percent pledge  
3 levels based on nationally recognized financial rating  
4 services information and established financial performance  
5 guidelines.

6 (2) A qualified public depository may not accept or  
7 retain any public deposit which is required to be secured  
8 unless it has deposited with the Treasurer eligible collateral  
9 at least equal to the greater of:

10 (a) The average daily balance of public deposits that  
11 does not exceed the lesser of its capital account or 20  
12 percent of the pool figure multiplied by the depository's  
13 collateral-pledging level, plus the greater of:

14 1. One hundred twenty-five percent of the average  
15 daily balance of public deposits in excess of capital  
16 accounts; or

17 2. One hundred twenty-five percent of the average  
18 daily balance of public deposits in excess of 20 percent of  
19 the pool figure.

20 (b) Twenty-five percent of the average monthly balance  
21 of public deposits.

22 (c) One hundred twenty-five percent of the average  
23 daily balance of public deposits if the qualified public  
24 depository:

25 1. Has been established for less than 3 years;

26 2. Has experienced material decreases in its capital  
27 accounts; or

28 3. Has an overall financial condition that is  
29 materially deteriorating.

30 (d) Two hundred percent of an established maximum  
31 amount of public deposits that has been mutually agreed upon

1 by and between the Treasurer and the qualified public  
2 depository.

3 (e) Minimum required collateral of \$100,000.

4 (f) An amount as required in special instructions from  
5 the Treasurer to protect the integrity of the public deposits  
6 program.

7 (3) Each qualified public depository shall report its  
8 required collateral on the monthly report required under s.  
9 280.16 and shall simultaneously pledge, deposit, or issue  
10 eligible collateral as needed.

11 (4)~~(3)~~ Additional collateral is required within 2  
12 business days ~~48 hours~~ if public deposits are accepted that  
13 would increase the qualified public depository's average daily  
14 balance for the current month by 25 percent over the average  
15 daily balance of the previously reported month.

16 (5)~~(4)~~ Additional collateral of 20 percent of required  
17 collateral is necessary if a valuation date other than the  
18 close of business as described below has been approved for the  
19 qualified public depository and the required collateral is  
20 found to be insufficient based on the Treasurer's valuation.

21 (6)~~(5)~~ Each qualified public depository shall value  
22 its collateral in the following manner; it must:

23 (a) Use a nationally recognized source.

24 (b) Use market price, quality ratings, and pay-down  
25 factors as of the close of business on the last banking day in  
26 the reported month, or as of a date approved by the Treasurer.

27 (c) Report any material decline in value that occurs  
28 before the date of mailing the monthly report required under  
29 s. 280.16 to the Treasurer.

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1           (d) Use 100 percent of the maximum amount available  
2 under Federal Home Loan Bank letters of credit as market  
3 value.

4           (7) A qualified public depository shall pledge,  
5 deposit, or issue additional eligible collateral between  
6 filing periods of the monthly report required under s. 280.16  
7 when notified by the Treasurer that the current market value  
8 of collateral does not meet the collateral requirements. The  
9 pledge, deposit, or issuance of this additional collateral  
10 must be made within 2 business days after the Treasurer's  
11 notification.

12           (8) A qualified public depository may be required to  
13 return public deposits to governmental units and may be  
14 suspended or disqualified or subjected to administrative  
15 penalty as provided in ss. 280.051 and 280.054 for failure to  
16 meet the required collateral.

17           (9) The Treasurer shall adopt rules for the  
18 establishment of required collateral, collateral pledging  
19 levels, required collateral calculations, and market value,  
20 and rules that clarify related terms.

21           Section 3. Effective July 1, 2001, section 280.041,  
22 Florida Statutes, is amended to read:

23           280.041 Collateral arrangements; agreements,  
24 provisions, and triggering events.--

25           (1) Eligible collateral listed in s. 280.13 may be  
26 pledged, deposited, or issued using the following collateral  
27 arrangements as approved by the Treasurer for a qualified  
28 public depository or an operating subsidiary, if one is used,  
29 to meet required collateral:

30           (a) Regular custody arrangement. Collateral is to be  
31 pledged to the Treasurer pursuant to subsection (2).

1           (b) Federal Reserve Bank custody arrangement.  
2 Collateral is to be pledged to the Treasurer pursuant to  
3 subsection (3).

4           (c) Treasurer's custody arrangement. Collateral is to  
5 be deposited in the Treasurer's name pursuant to subsection  
6 (4).

7           (d) Federal Home Loan Bank letter of credit  
8 arrangement. Collateral is to be issued with the Treasurer as  
9 beneficiary pursuant to subsection (5).

10           (e) Cash arrangement. Collateral is to be held by the  
11 Treasurer or a custodian.

12           (2)(1) With the approval of the Treasurer, a qualified  
13 public depository or operating subsidiary, as pledgor, may  
14 deposit eligible collateral with a custodian. A qualified  
15 public depository may not act as its own custodian. Except in  
16 the case of using a Federal Reserve Bank as custodian, ~~which~~  
17 ~~may require other collateral agreement provisions,~~ the  
18 following are necessary for the Treasurer's approval:

19           (a) A completed collateral agreement in a form  
20 prescribed by the Treasurer in which the pledgor agrees to the  
21 following provisions:

22           1. The pledgor shall own the pledged collateral and  
23 acknowledge that the Treasurer has a perfected security  
24 interest. The pledged collateral shall be eligible collateral  
25 and shall be at least equal to the amount of required  
26 collateral.

27           2. The pledgor shall grant to the Treasurer an  
28 interest in pledged collateral for the purposes of this  
29 section. The pledgor shall not enter into or execute any other  
30 agreement related to the pledged collateral that would create  
31 an interest in or lien on that collateral in any manner in

1 favor of any third party without the written consent of the  
2 Treasurer.

3           3. The pledgor shall not grant the custodian any lien  
4 that attaches to the collateral in favor of the custodian that  
5 is superior or equal to the security interest of the  
6 Treasurer.

7           4. The pledgor shall agree that the Treasurer may,  
8 without notice to or consent by the pledgor, require the  
9 custodian to comply with and perform any and all requests and  
10 orders directly from the Treasurer. These include, but are not  
11 limited to, liquidating all collateral and submitting the  
12 proceeds directly to the Treasurer in the name of the  
13 Treasurer only or transferring all collateral into an account  
14 designated solely by the Treasurer.

15           5. The pledgor shall acknowledge that the Treasurer  
16 may, without notice to or consent by the pledgor, require the  
17 custodian to hold principal payments and income for the  
18 benefit of the Treasurer.

19           6. The pledgor shall initiate collateral transactions  
20 on forms prescribed by the Treasurer in the following manner:

21           a. A deposit transaction of eligible collateral may be  
22 made without prior approval from the Treasurer provided:  
23 security types that have restrictions have been approved in  
24 advance of the transaction by the Treasurer and simultaneous  
25 notification is given to the Treasurer; and the custodian has  
26 not received notice from the Treasurer prohibiting deposits  
27 without prior approval.

28           b. A substitution transaction of eligible collateral  
29 may be made without prior approval from the Treasurer  
30 provided: security types that have restrictions have been  
31 approved in advance of the transaction by the Treasurer; the

1 market value of the securities to be substituted is at least  
2 equal to the amount withdrawn; simultaneous notification is  
3 given to the Treasurer; and the custodian has not received  
4 notice from the Treasurer prohibiting substitution.

5 c. A transfer of collateral between accounts at a  
6 custodian requires the Treasurer's prior approval. The  
7 collateral shall be released subject to redeposit in the new  
8 account with a pledge to the Treasurer intact.

9 d. A transfer of collateral from a custodian to  
10 another custodian requires the Treasurer's prior approval and  
11 a valid collateral agreement with the new custodian. The  
12 collateral shall be released subject to redeposit at the new  
13 custodian with a pledge to the Treasurer intact.

14 e. A withdrawal transaction requires the Treasurer's  
15 prior approval. The market value of eligible collateral  
16 remaining after the withdrawal shall be at least equal to the  
17 amount of required collateral. A withdrawal transaction shall  
18 be executed for any release of collateral including maturity  
19 or call proceeds.

20 f. Written notice shall be sent to the Treasurer to  
21 remove from the inventory of pledged collateral a pay-down  
22 security that has paid out with zero principal remaining.

23 7. If pledged collateral includes definitive  
24 (physical) securities in registered form which are in the name  
25 of the pledgor or a nominee, the pledgor shall deliver the  
26 following documents when requested by the Treasurer:

27 a. A separate certified power of attorney in a form  
28 prescribed by the Treasurer for each issue of securities.

29 b. Separate bond assignment forms as required by the  
30 bond agent or trustee.

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1           c. Certified copies of resolutions adopted by the  
2 pledgor's governing body authorizing execution of these  
3 documents.

4           8. The pledgor shall be responsible for all costs  
5 necessary to the functioning of the collateral agreement or  
6 associated with confirmation of pledged collateral to the  
7 Treasurer and acknowledges that these costs shall not be a  
8 charge against the Treasurer or his or her interests in the  
9 pledged collateral.

10          9. The pledgor, if notified by the Treasurer, shall  
11 not be allowed to use a custodian if that custodian fails to  
12 complete the collateral agreement, releases pledged collateral  
13 without the Treasurer's approval, fails to properly complete  
14 confirmations of pledged collateral, fails to honor a request  
15 for examination of definitive pledged collateral and records  
16 of book-entry securities, or fails to provide requested  
17 documents on definitive securities. The period for disallowing  
18 the use of a custodian is 1 year.

19          10. The pledgor shall be subject to the jurisdiction  
20 of the courts of the State of Florida, or of courts of the  
21 United States located within the State of Florida, for the  
22 purpose of any litigation arising out of the act.

23          11. The pledgor is responsible and liable to the  
24 Treasurer for any action of agents the pledgor uses to execute  
25 collateral transactions or submit reports to the Treasurer.

26          12. The pledgor shall agree that any information,  
27 forms, or reports electronically transmitted to the Treasurer  
28 shall have the same enforceability as a signed writing.

29          13. The pledgor shall submit proof that authorized  
30 individuals executed the collateral agreement on behalf of the  
31 pledgor.

1           14. The pledgor shall agree by resolution of the board  
2 of directors that collateral agreements entered into for  
3 purposes of this section have been formally accepted and  
4 constitute official records of the pledgor.

5           15. If there is any change in the Uniform Commercial  
6 Code adopted in this state which affects the requirements for  
7 a perfected security interest in collateral, the Treasurer  
8 shall notify the custodian of such change. The custodian has  
9 180 calendar days following such notice to withdraw as  
10 custodian if the required custodial services cannot be  
11 provided.~~The pledgor shall be bound by any other provisions~~  
12 ~~found necessary for a perfected security interest in~~  
13 ~~collateral under the Uniform Commercial Code.~~

14           (b) A completed collateral agreement in a form  
15 prescribed by the Treasurer in which the custodian agrees to  
16 the following provisions:

17           1. The custodian shall have no responsibility to  
18 ascertain whether the pledged securities are at least equal to  
19 the amount of required collateral nor whether the pledged  
20 securities are eligible collateral.

21           2. The custodian shall hold pledged collateral in a  
22 custody account for the Treasurer for purposes of this  
23 section. The custodian shall not enter into or execute any  
24 other agreement related to the collateral that would create an  
25 interest in or lien on that collateral in any manner in favor  
26 of any third party without the written consent of the  
27 Treasurer.

28           3. The custodian shall agree that any lien that  
29 attaches to the collateral in favor of the custodian shall not  
30 be superior or equal to the security interest of the  
31 Treasurer.



1           4. The custodian shall, without notice to or consent  
2 by the pledgor, comply with and perform any and all requests  
3 and orders directly from the Treasurer. These include, but are  
4 not limited to, liquidating all collateral and submitting the  
5 proceeds directly to the Treasurer in the name of the  
6 Treasurer only or transferring all collateral into an account  
7 designated solely by the Treasurer.

8           5. The custodian shall consider principal payments on  
9 pay-down securities and income paid on pledged collateral as  
10 the property of the pledgor and shall pay thereto provided the  
11 custodian has not received written notice from the Treasurer  
12 to hold such principal payments and income for the benefit of  
13 the Treasurer.

14           6. The custodian shall process collateral transactions  
15 on forms prescribed by the Treasurer in the following manner:

16           a. A deposit transaction of eligible collateral may be  
17 made without prior approval from the Treasurer unless the  
18 custodian has received notice from the Treasurer requiring the  
19 Treasurer's prior approval.

20           b. A substitution transaction of eligible collateral  
21 may be made without prior approval from the Treasurer provided  
22 the pledgor certifies the market value of the securities to be  
23 substituted is at least equal to the market value amount of  
24 the securities to be withdrawn and the custodian has not  
25 received notice from the Treasurer prohibiting substitution.

26           c. A transfer of collateral between accounts at a  
27 custodian requires the Treasurer's prior approval. The  
28 collateral shall be released subject to redeposit in the new  
29 account with a pledge to the Treasurer intact. Confirmation  
30 from the custodian to the Treasurer must be received within 5  
31 business days of the redeposit.

1           d. A transfer of collateral from a custodian to  
2 another custodian requires the Treasurer's prior approval. The  
3 collateral shall be released subject to redeposit at the new  
4 custodian with a pledge to the Treasurer intact. Confirmation  
5 from the new custodian to the Treasurer must be received  
6 within 5 business days of the redeposit.

7           e. A withdrawal transaction requires the Treasurer's  
8 prior approval. A withdrawal transaction shall be executed for  
9 the release of any pledged collateral including maturity or  
10 call proceeds.

11           7. If pledged collateral includes definitive  
12 (physical) securities in registered form, which are in the  
13 name of the custodian or a nominee, the custodian shall  
14 deliver the following documents when requested by the  
15 Treasurer:

16           a. A separate certified power of attorney in a form  
17 prescribed by the Treasurer for each issue of securities.

18           b. Separate bond assignment forms as required by the  
19 bond agent or trustee.

20           c. Certified copies of resolutions adopted by the  
21 custodian's governing body authorizing execution of these  
22 documents.

23           8. The custodian shall acknowledge that the pledgor is  
24 responsible for all costs necessary to the functioning of the  
25 collateral agreement or associated with confirmation of  
26 securities pledged to the Treasurer and that these costs shall  
27 not be a charge against the Treasurer or his or her interests  
28 in the pledged collateral.

29           9. The custodian shall agree to provide confirmation  
30 of pledged collateral upon request from the Treasurer. This  
31 confirmation shall be provided within 15 working days after

1 the request, in a format prescribed by the Treasurer, and  
2 shall require no identification other than the pledgor name  
3 and location, unless the special identification is provided in  
4 the collateral agreement.

5 10. The custodian shall be subject to the jurisdiction  
6 of the courts of the State of Florida, or of courts of the  
7 United States located within the State of Florida, for the  
8 purpose of any litigation arising out of the act.

9 11. The custodian shall be responsible and liable to  
10 the Treasurer for any action of agents the custodian uses to  
11 hold and service collateral pledged to the Treasurer.

12 12. The custodian shall agree that any information,  
13 forms, or reports electronically transmitted to the Treasurer  
14 shall have the same enforceability as a signed writing.

15 13. The Treasurer shall have the right to examine  
16 definitive pledged collateral and records of book-entry  
17 securities during the regular business hours of the custodian  
18 without cost to the Treasurer.

19 14. The responsibilities of the custodian for the  
20 safekeeping of the pledged collateral shall be limited to the  
21 diligence and care usually exercised by a banking or trust  
22 institution toward its own property.

23 15. The custodian shall be bound by any other  
24 provisions found necessary for the Treasurer to have a  
25 perfected security interest in collateral under the Uniform  
26 Commercial Code.

27 (3)~~(2)~~ With the approval of the Treasurer, a pledgor  
28 may deposit eligible collateral pursuant to an agreement with  
29 a Federal Reserve Bank. The Federal Reserve Bank agreement  
30 may:

31

1           (a) Require terms not consistent with subsection  
2 ~~(2)(1)~~.  
3           (b) Not subject the Treasurer to any costs or  
4 indemnification requirements.  
5           ~~(4)(3)~~ The Treasurer may require deposit or transfer  
6 of collateral into a custodial account established in the  
7 Treasurer's name at a designated custodian. This requirement  
8 for Treasurer's custody shall have the following  
9 characteristics:  
10           (a) One or more triggering events must have occurred.  
11           (b) The custodian used must be a Treasurer's approved  
12 custodian that must:  
13           1. Meet the definition of custodian.  
14           2. Not be an affiliate of the qualified public  
15 depository.  
16           3. Be bound under a distinct Treasurer's custodial  
17 contract.  
18           (c) All deposit transactions require the approval of  
19 the Treasurer.  
20           (d) All collateral must be in book-entry form.  
21           (e) The qualified public depository shall be  
22 responsible for all costs necessary to the functioning of the  
23 contract or associated with the confirmation of securities in  
24 the name of the Treasurer and acknowledges that these costs  
25 shall not be a charge against the Treasurer and may be  
26 deducted from the collateral or income earned if unpaid.  
27           (5) With the approval of the Treasurer, a qualified  
28 public depository may use Federal Home Loan Bank letters of  
29 credit to meet collateral requirements. A completed agreement  
30 that includes the following provisions is necessary for the  
31 Treasurer's approval:

1       (a) The letter of credit must meet the definition of  
2 eligible collateral.

3       (b) The qualified public depository must agree that  
4 the Treasurer, as beneficiary, may, without notice to or  
5 consent by the qualified public depository, demand payment  
6 under the letter of credit if any of the triggering events  
7 listed in s. 280.041 occurs.

8       (c) The qualified public depository must agree that  
9 funds received by the Treasurer due to the occurrence of one  
10 or more triggering events may be deposited in the Treasury  
11 Cash Deposit Trust Fund for purposes of eligible collateral.

12       (d) The qualified public depository must arrange for  
13 the issuance of letters of credit that meet the requirements  
14 of s. 280.13 and for their delivery to the Treasurer. All  
15 transactions involving letters of credit require the  
16 Treasurer's approval.

17       (e) The qualified public depository must be  
18 responsible for all costs necessary to the use or confirmation  
19 of letters of credit issued on behalf of the Treasurer and  
20 must acknowledge that these costs will not be a charge against  
21 the Treasurer.

22       (f) The qualified public depository must be subject to  
23 the jurisdiction of the courts of this state, or of courts of  
24 the United States which are located within this state, for the  
25 purpose of any litigation arising out of this act.

26       (g) The qualified public depository must agree that  
27 any information, form, or report that is electronically  
28 transmitted to the Treasurer has the same enforceability as a  
29 signed writing.

30  
31

1           (h) The qualified public depository must submit proof  
2 that authorized individuals executed the letters of credit  
3 agreement on its behalf.

4           (i) The qualified public depository must agree by  
5 resolution of its board of directors that the letters of  
6 credit agreements entered into for purposes of this section  
7 have been formally accepted and constitute official records of  
8 the qualified public depository.

9           ~~(6)(4)~~ The Treasurer may demand payment under a letter  
10 of credit or direct a custodian to deposit or transfer  
11 collateral and proceeds of securities not previously credited  
12 upon the occurrence of one or more triggering events provided  
13 that, to the extent not incompatible with the protection of  
14 public deposits, as determined in the Treasurer's sole and  
15 absolute discretion, the Treasurer shall provide a custodian  
16 and the qualified public depository with 48 hours' advance  
17 notice before directing such deposit or transfer. These events  
18 include:

19           (a) The Treasurer determines that an immediate danger  
20 to the public health, safety, or welfare exists.

21           (b) The qualified public depository fails to have  
22 adequate procedures and practices for the accurate  
23 identification, classification, reporting, and  
24 collateralization of public deposits.

25           (c) The custodian fails to provide or allow inspection  
26 and verification of documents, reports, records, or other  
27 information dealing with the pledged collateral or financial  
28 information.

29           (d) The qualified public depository or its operating  
30 subsidiary fails to provide or allow inspection and  
31 verification of documents, reports, records, or other

1 information dealing with Florida public deposits, pledged  
2 collateral, or financial information.

3 (e) The custodian fails to hold income and principal  
4 payments made on securities held as collateral or fails to  
5 deposit or transfer such payments pursuant to the Treasurer's  
6 instructions.

7 (f) The qualified public depository defaults or  
8 becomes insolvent.

9 (g) The qualified public depository fails to pay an  
10 assessment.

11 (h) The qualified public depository fails to pay an  
12 administrative penalty.

13 (i) The qualified public depository fails to meet  
14 financial condition standards.

15 (j) The qualified public depository charges a  
16 withdrawal penalty to public depositors when the qualified  
17 public depository is suspended, disqualified, or withdrawn  
18 from the public deposits program.

19 (k) The qualified public depository does not provide,  
20 as required, the public depositor with annual confirmation  
21 information on all open Florida public deposit accounts.

22 (l) The qualified public depository pledges, deposits,  
23 or has issued insufficient or unacceptable collateral to meet  
24 collateral requirements within the prescribed time ~~cover~~  
25 ~~public deposits~~.

26 (m) ~~Pledged~~ Collateral, other than a proper  
27 substitution, is released without the prior approval of the  
28 Treasurer.

29 (n) The qualified public depository, custodian,  
30 operating subsidiary, or agent violates any provision of the

31

1 act and the Treasurer determines that such violation may be  
2 remedied by a move of collateral.

3 (o) The qualified public depository, custodian,  
4 operating subsidiary, or agent fails to timely cooperate in  
5 resolving problems by the date established in written  
6 communication from the Treasurer.

7 (p) The custodian fails to provide sufficient  
8 confirmation information.

9 (q) The Federal Home Loan Bank or the qualified public  
10 depository gives notification that a letter of credit will not  
11 be extended or renewed, and other eligible collateral equal to  
12 required collateral has not been deposited within 30 days  
13 after the notice is given or 30 days before the expiration of  
14 the letter of credit.

15 (r) The qualified public depository involved in a  
16 merger, acquisition, consolidation, or other organizational  
17 change fails to notify the Treasurer or to ensure that  
18 required collateral is properly maintained by the depository  
19 holding the Florida public deposits.

20 (s)~~(q)~~ Events that would bring about an administrative  
21 or legal action by the Treasurer.

22 (7)~~(5)~~ The Treasurer shall adopt rules to identify  
23 forms and establish procedures for collateral agreements and  
24 transactions, furnish confirmation requirements, establish  
25 procedures for using an operating subsidiary and agents, and  
26 clarify terms.

27 Section 4. Section 280.05, Florida Statutes, is  
28 amended to read:

29 280.05 Powers and duties of the Treasurer.--In  
30 fulfilling the requirements of this act, the Treasurer has the  
31 power to take the following actions, as he or she considers



1 necessary to protect the integrity of the public deposits  
2 program:  
3 (1) Identify representative qualified public  
4 depositories and furnish notification for the selection of the  
5 Qualified Public Depository Oversight Board pursuant to s.  
6 280.071.  
7 ~~(1) Establish criteria, based on the overall financial~~  
8 ~~condition of the participant and applicants, as may be~~  
9 ~~necessary, to protect the integrity of the public deposits~~  
10 ~~program, to:~~  
11 ~~(a) Refuse entry into the program by an applicant;~~  
12 ~~(b) Order discontinuance of participation in the~~  
13 ~~program by a qualified public depository;~~  
14 ~~(c) Restrict the total amount of public deposits a~~  
15 ~~depository may hold;~~  
16 ~~(d) Establish collateral-pledging levels based on~~  
17 ~~qualitative and quantitative standards; and~~  
18 ~~(e) Restrict substitutions of collateral subject to~~  
19 ~~the approval of the Treasurer.~~  
20 ~~(2) Appoint a six-member advisory committee to review~~  
21 ~~and recommend criteria to be used by the Treasurer for~~  
22 ~~purposes stated in subsection (1) in order to protect public~~  
23 ~~deposits and the depositories in the program. Each member~~  
24 ~~selected to serve on the advisory committee must be a~~  
25 ~~representative of his or her industry. Advisory committee~~  
26 ~~members must represent active qualified public depositories,~~  
27 ~~not in the process of withdrawing from the public deposits~~  
28 ~~program, in compliance with all applicable rules, regulations,~~  
29 ~~and reporting requirements of this chapter. Members must~~  
30 ~~possess knowledge, skill, and experience in one or more of the~~  
31 ~~following areas:~~

- 1           ~~(a) Financial analysis;~~  
2           ~~(b) Trend analysis;~~  
3           ~~(c) Accounting;~~  
4           ~~(d) Banking;~~  
5           ~~(e) Risk management; or~~  
6           ~~(f) Investment management.~~

7  
8           ~~Members' terms shall be for 4 years. Any person appointed to~~  
9           ~~fill a vacancy on the advisory committee may serve only for~~  
10           ~~the remainder of the unexpired term. Any member is eligible~~  
11           ~~for reappointment and shall serve until a successor qualifies.~~  
12           ~~The advisory committee shall elect a chair and vice chair and~~  
13           ~~shall also designate a secretary who need not be a member of~~  
14           ~~the advisory committee. The secretary shall keep a record of~~  
15           ~~the proceedings of the advisory committee and shall be the~~  
16           ~~custodian of all printed materials filed with or by the~~  
17           ~~advisory committee. Notwithstanding the existence of vacancies~~  
18           ~~on the advisory committee, a majority of the members~~  
19           ~~constitutes a quorum. The advisory committee shall not take~~  
20           ~~official action in the absence of a quorum. Each member may~~  
21           ~~name a designee to serve on the advisory committee on behalf~~  
22           ~~of the member. However, any designee so named must meet the~~  
23           ~~qualifications required of the selected member and be approved~~  
24           ~~by the Treasurer. The advisory committee shall convene as~~  
25           ~~needed.~~

26           ~~(2)(3) Establish goals and objectives and Provide~~  
27           ~~other data for the Qualified Public Depository Oversight~~  
28           ~~Board's duties, pursuant to s. 280.071, of:~~

29           ~~(a) Establishing standards for qualified public~~  
30           ~~depositories and custodians.~~

31

1           (b) Evaluating requests for exceptions to standards  
2 and alternative participation agreements.

3           (c) Reviewing and recommending action concerning a  
4 violation committed by a qualified public depository or  
5 custodian.~~as may be necessary to assist the advisory~~  
6 ~~committee established under subsection (2) in developing~~  
7 ~~standards for the program.~~

8           ~~(3)(4)~~ Review, implement, monitor, evaluate, and  
9 modify, ~~as needed,~~ all or any part of the standards, and  
10 policies, or recommendations of the Qualified Public  
11 Depository Oversight Board ~~recommended by an advisory~~  
12 ~~committee.~~

13           ~~(4)(5)~~ Perform financial analysis of ~~any~~ qualified  
14 public depositories ~~depository as needed.~~

15           ~~(5)(6)~~ Require such collateral, or increase the  
16 collateral-pledging level, of any qualified public depository  
17 ~~as may be necessary to administer the provisions of this~~  
18 ~~chapter and to protect the integrity of the public deposits~~  
19 ~~program.~~

20           ~~(7)~~ ~~Establish a minimum amount of required collateral~~  
21 ~~as the Treasurer deems necessary to provide for the contingent~~  
22 ~~liability pool.~~

23           ~~(6)(8)~~ Decline to accept, or reduce the reported value  
24 of, collateral ~~as circumstances may require~~ in order to ensure  
25 the pledging or depositing of sufficient marketable collateral  
26 and acceptable letters of credit ~~to meet the purposes of this~~  
27 ~~chapter.~~

28           ~~(7)(9)~~ Maintain perpetual inventory of pledged  
29 collateral and perform monthly market valuations and quality  
30 ratings.

31

1           ~~(8)(10)~~ Monitor and confirm collateral with, ~~as often~~  
2 ~~as deemed necessary by the Treasurer, the pledged collateral~~  
3 ~~held by third party custodians and issuers of letters of~~  
4 credit.

5           ~~(9)(11)~~ Move collateral ~~Perfect interest in pledged~~  
6 ~~collateral by having pledged securities moved into an account~~  
7 ~~established in the Treasurer's name upon the occurrence of one~~  
8 ~~or more triggering events. This action shall be taken at the~~  
9 ~~discretion of the Treasurer.~~

10           ~~(10)~~ Issue notice to a qualified public depository  
11 that the use of a custodian will be disallowed if the  
12 custodian has failed to follow the terms of a collateral  
13 agreement.

14           ~~(11)(12)~~ Furnish written notice to custodians of  
15 collateral to hold interest and principal payments made on  
16 securities held as collateral and to deposit or transfer such  
17 payments pursuant to the Treasurer's instructions.

18           ~~(12)(13)~~ Release collateral held in the Treasurer's  
19 name, subject to sale and transfer of funds directly from the  
20 custodian to public depositors of a withdrawing depository.

21           ~~(13)~~ Demand payment under letters of credit for any of  
22 the triggering events listed in s. 280.041 and deposit the  
23 funds into the Public Deposits Trust Fund for purposes of  
24 paying losses to public depositors, into the Treasurer's  
25 Administrative and Investment Trust Fund for receiving payment  
26 of administrative penalties, and into the Treasury Cash  
27 Deposit Trust Fund for purposes of eligible collateral.

28           (14) Sell securities for the purpose of paying losses  
29 to public depositors not covered by deposit insurance.

30  
31

1           (15) Transfer funds directly from the custodian to  
2 public depositors or the receiver in order to facilitate  
3 prompt payment of claims.

4           (16) Require the filing of the following reports which  
5 the Treasurer shall process as provided:

6           (a) Qualified public depository monthly reports and  
7 schedules. The Treasurer shall review the reports of each  
8 qualified public depository for material changes in capital  
9 accounts or changes in name, address, or type of institution;  
10 record the average daily balances of public deposits held; and  
11 monitor the collateral-pledging levels and required  
12 collateral.

13           (b) Quarterly regulatory reports from qualified public  
14 depositories. The Treasurer shall analyze qualified public  
15 depositories ranked in the lowest category based on  
16 established financial condition criteria.

17           (c) Qualified public depository annual reports and  
18 public depositor annual reports. The Treasurer shall compare  
19 public deposit information reported by qualified public  
20 depositories and public depositors. Such comparison shall be  
21 conducted for qualified public depositories which are ranked  
22 in the lowest category based on established financial  
23 condition criteria of record on September 30. Additional  
24 comparison processes may be performed as public deposits  
25 program resources permit.

26           (d) Any related documents, reports, records, or other  
27 information deemed necessary by the Treasurer in order to  
28 ascertain compliance with this chapter.

29           (17) Verify the reports of any qualified public  
30 depository relating to public deposits it holds when necessary  
31 to protect the integrity of the public deposits program.

1           (18) Confirm public deposits, to the extent possible  
2 under current law, when needed.

3           (19) Require at his or her discretion the filing of  
4 any information or forms required under this chapter to be by  
5 electronic data transmission. Such filings of information or  
6 forms shall have the same enforceability as a signed writing.

7           (20) Suspend or disqualify or disqualify after  
8 suspension any qualified public depository that has violated  
9 any of the provisions of this chapter or of rules adopted  
10 hereunder.

11           (a) Any qualified public depository that is suspended  
12 or disqualified pursuant to this subsection is subject to the  
13 provisions of s. 280.11(2) governing withdrawal from the  
14 public deposits program and return of pledged collateral. Any  
15 suspension shall not exceed a period of 6 months. Any  
16 qualified public depository which has been disqualified may  
17 not reapply for qualification until after the expiration of 1  
18 year from the date of the final order of disqualification or  
19 the final disposition of any appeal taken therefrom.

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

23           (c) If the Treasurer has reason to believe that any  
24 qualified public depository or any other financial institution  
25 holding public deposits is or has been violating any of the  
26 provisions of this chapter or of rules adopted hereunder, he  
27 or she may issue to the qualified public depository or other  
28 financial institution an order to cease and desist from the  
29 violation or to correct the condition giving rise to or  
30 resulting from the violation. If any qualified public  
31 depository or other financial institution violates a

1 cease-and-desist or corrective order, the Treasurer may impose  
2 an administrative penalty upon the qualified public depository  
3 or other financial institution as provided in s. 280.054 or s.  
4 280.055. In addition to the administrative penalty, the  
5 Treasurer may suspend or disqualify any qualified public  
6 depository for violation of any order issued pursuant to this  
7 paragraph.

8 Section 5. Subsections (2) and (3) of section 280.051,  
9 Florida Statutes, are amended to read:

10 280.051 Grounds for suspension or disqualification of  
11 a qualified public depository.--A qualified public depository  
12 may be suspended or disqualified or both if the Treasurer  
13 determines that the qualified public depository has:

14 (2) Submitted reports containing inaccurate or  
15 incomplete information regarding public deposits or ~~the~~  
16 ~~securities pledged as~~ collateral for such deposits, capital  
17 accounts, or the calculation of required collateral.

18 (3) Failed to maintain required collateral ~~pledge~~  
19 ~~sufficient collateral to cover public deposits.~~

20 Section 6. Subsection (3) of section 280.054, Florida  
21 Statutes, is amended to read:

22 280.054 Administrative penalty in lieu of suspension  
23 or disqualification.--

24 (3) A qualified public depository ~~that violates s.~~  
25 ~~280.04(5) or a custodian that violates s. 280.04(6)~~ is subject  
26 to an administrative penalty in an amount not exceeding the  
27 greater of \$1,000 or 10 percent of the amount of withdrawal,  
28 not exceeding \$10,000, if it:-

29 (a) Fails to provide required collateral using  
30 eligible collateral and prescribed collateral agreements; or  
31

1           (b) Withdraws collateral without the Treasurer's  
2 approval.

3           Section 7. Section 280.055, Florida Statutes, is  
4 amended to read:

5           280.055 Cease and desist order; corrective order;  
6 administrative penalty.--

7           (1) The Treasurer may issue a cease and desist order  
8 and a corrective order upon determining that:

9           (a) A qualified public depository has requested and  
10 obtained a release of pledged collateral without approval of  
11 the Treasurer;

12           (b) A bank, savings association, or other financial  
13 institution is holding public deposits without a certificate  
14 of qualification issued by the Treasurer;

15           (c) A qualified public depository pledges, deposits,  
16 or arranges for the issuance of unacceptable collateral;

17           (d) A custodian has released pledged collateral  
18 without approval of the Treasurer;

19           (e) A qualified public depository or a custodian has  
20 not furnished to the Treasurer, when the Treasurer requested,  
21 a power of attorney or bond power or bond assignment form  
22 required by the bond agent or bond trustee for each issue of  
23 registered certificated securities pledged and registered in  
24 the name, or nominee name, of the qualified public depository  
25 or custodian; or

26           (f) A qualified public depository; a bank, savings  
27 association, or other financial institution; or a custodian  
28 has committed any other violation of this chapter or any rule  
29 adopted pursuant to this chapter that the Treasurer determines  
30 may be remedied by a cease and desist order or corrective  
31 order.



1           (2) Any qualified public depository or other bank,  
2 savings association, or financial institution or custodian  
3 that violates a cease and desist order or corrective order of  
4 the Treasurer is subject to an administrative penalty not  
5 exceeding \$1,000 for each violation of the order. Each day  
6 the violation of the order continues constitutes a separate  
7 violation.

8           Section 8. Section 280.07, Florida Statutes, is  
9 amended to read:

10           280.07 Mutual responsibility and contingent  
11 liability.--Any bank or savings association that is designated  
12 as a qualified public depository and that is not insolvent  
13 shall guarantee public depositors against loss caused by the  
14 default or insolvency of other qualified public depositories.  
15 Each qualified public depository shall execute a form  
16 prescribed by the Treasurer for such guarantee which shall be  
17 approved by the board of directors and shall become an  
18 official record of the institution.

19           Section 9. Section 280.071, Florida Statutes, is  
20 created to read:

21           280.071 Qualified Public Depository Oversight Board;  
22 purpose; identifying representative qualified public  
23 depositories; member selection and responsibilities.--There is  
24 created a Qualified Public Depository Oversight Board,  
25 consisting of six members and six alternate members who  
26 represent the interests of all qualified public depositories  
27 in safeguarding the integrity of the public deposits program  
28 and preventing the realization of loss assessments.

29           (1) On July 31 of each year and as vacancies occur,  
30 the Treasurer, in order to initiate the selection of oversight  
31 board representation, shall:

1       (a) Categorize eligible qualified public depositories  
2 into three groups according to average asset size. Eligible  
3 qualified public depositories must be in compliance with all  
4 requirements and cannot be suspended, disqualified, or in the  
5 process of withdrawing from, or under an alternative  
6 participation agreement in, the public deposits program.

7       (b) Identify the two qualified public depositories in  
8 each of the three groups which have the greatest shares of  
9 contingent liability based on the average monthly balances of  
10 public deposits reported pursuant to s. 280.16.

11       (c) Send notification to the six qualified public  
12 depositories that have been identified.

13       (2) Each of the six representative qualified public  
14 depositories shall select a member and an alternate member of  
15 the oversight board and shall give the Treasurer written  
16 information concerning the selections within 30 calendar days  
17 after the Treasurer's notice.

18       (3) If an identified qualified public depository  
19 declines to select a member, does not respond within 30  
20 calendar days, or becomes ineligible, the Treasurer shall  
21 furnish notice to the Florida Bankers Association, which  
22 shall, within 30 calendar days, select a member and an  
23 alternate member to represent that average-asset category.

24       (4) Each member and alternate member must:

25       (a) Have resources available for review of qualified  
26 public depository issues.

27       (b) Possess knowledge, skill, and experience in one or  
28 more of the following areas:

29           1. Financial analysis;

30           2. Trend analysis;

31           3. Accounting;

- 1           4. Banking;  
2           5. Risk management; or  
3           6. Investment management.  
4           (5) The oversight board members and alternate members  
5 are subject to approval by the Treasurer.  
6           (6) The alternate member must act on the member's  
7 behalf if the member is unable to perform oversight board  
8 functions, and has the same rights, duties, and  
9 responsibilities as the member.  
10          (7) Each member shall serve until a successor is  
11 selected.  
12          (8) Expenses incurred by a member in carrying out  
13 duties of the oversight board shall be paid by his or her  
14 representative qualified public depository.  
15          (9) The oversight board shall organize, communicate,  
16 and conduct meetings as follows:  
17           (a) Elect a chair and vice chair.  
18           (b) Designate a secretary, who need not be a member of  
19 the oversight board. The secretary shall:  
20            1. Keep a record of communications and meeting  
21 proceedings.  
22            2. Act as custodian of all printed materials filed  
23 with or by the oversight board.  
24           (c) Communicate through electronic means and express  
25 delivery services whenever possible.  
26           (d) Meet upon call of the chairman or any three  
27 members.  
28           (e) Take no official action in the absence of a  
29 quorum.  
30            1. A quorum consists of the majority of voting members  
31 of the oversight board.

- 1           2. Each member has one vote.
- 2           3. A member shall not vote on issues directly related  
3 to the qualified public depository that he or she represents.
- 4           4. The Treasurer or his or her representative shall  
5 vote as a member of the oversight board in the absence of a  
6 quorum.
- 7           (10) The oversight board has the power and  
8 responsibility to safeguard the integrity of the public  
9 deposits program and prevent the realization of loss  
10 assessments by:
- 11           (a) Establishing standards in the following areas:
- 12           1. Financial institution entry requirements;
- 13           2. Qualified public depository reporting requirements;
- 14           3. Qualitative and quantitative financial condition  
15 requirements;
- 16           4. Custodian characteristic requirements and adherence  
17 to collateral agreement terms;
- 18           5. Collateral-pledging levels and adequacy of required  
19 collateral;
- 20           6. Collateral eligibility and restrictions;
- 21           7. Operating subsidiary and agent requirements;
- 22           8. Merger, acquisition, and name change requirements;
- 23           9. Participation restrictions;
- 24           10. Participation status and conditions for  
25 suspension, disqualification, and mandatory withdrawal;
- 26           11. Penalties and fines; and
- 27           12. Corrective actions and administrative orders.
- 28           (b) Recommending to the Treasurer the approval or  
29 rejection of requests for exceptions that do not meet  
30 established standards. These requests for exceptions may be:
- 31           1. Referred by the Treasurer; or

1           2. Submitted directly by the qualified public  
2 depository that is seeking the exception.

3           (c) Issuing approvals or rejections for alternative  
4 participation agreements referred by the Treasurer.

5           (d) Reviewing program violations and recommending that  
6 the Treasurer impose penalties and fines or issue corrective  
7 actions and administrative orders.

8           (e) Studying public deposit program areas referred by  
9 the Treasurer.

10           (f) Assessing qualified public depositories, as  
11 provided in s. 280.08, to pay for the implementation of  
12 standards established by the oversight board which exceed the  
13 resources of the public deposits program.

14           (11) Official actions of the oversight board regarding  
15 the establishment of standards, decisions concerning  
16 exceptions and alternate participation agreements, and  
17 recommendations concerning violations must be:

18           (a) Communicated to the Treasurer in writing.

19           (b) Subject to the approval of the Treasurer.

20           (c) Implemented as public deposits program resources  
21 or payment described in subsection (10) permit.

22           (12) The Treasurer may adopt rules establishing  
23 procedures and forms for the selection of members and  
24 alternate members of the oversight board and governing  
25 functions of the oversight board.

26           Section 10. Section 280.08, Florida Statutes, is  
27 amended to read:

28           280.08 Procedure for payment of losses.--When the  
29 Treasurer determines that a default or insolvency has  
30 occurred, he or she shall provide notice as required in s.  
31 280.085 ~~s. 280.085(1)~~ and implement the following procedures:

1           (1) The Treasurer, in cooperation with the Department  
2 of Banking and Finance or the receiver of the qualified public  
3 depository in default, shall ascertain the amount of funds of  
4 each public depositor on deposit at such depository and the  
5 amount of deposit insurance applicable to such deposits.

6           (2) The potential loss to public depositors shall be  
7 calculated by compiling claims received from such depositors.  
8 The Treasurer shall validate claims on public deposit accounts  
9 which meet the requirements of s. 280.17 and are confirmed as  
10 provided in subsection (1).

11           (3)(a) The loss to public depositors shall be  
12 satisfied, insofar as possible, first through any applicable  
13 deposit insurance and then through demanding payment under  
14 letters of credit or the sale of collateral ~~securities~~ pledged  
15 or deposited by the defaulting depository. The Treasurer may  
16 assess qualified public depositories as provided in paragraph  
17 (b) for the total loss if the demand for payment or sale of  
18 collateral ~~securities~~ cannot be accomplished within 7 business  
19 days.

20           (b) The Treasurer shall provide coverage of any  
21 remaining loss by assessment against the other qualified  
22 public depositories. The Treasurer shall determine such  
23 assessment for each qualified public depository by multiplying  
24 the total amount of any remaining loss to all public  
25 depositors by a percentage which represents the average  
26 monthly balance of public deposits held by each qualified  
27 public depository during the previous 12 months divided by the  
28 total average monthly balances of public deposits held by all  
29 qualified public depositories, excluding the defaulting  
30 depository, during the same period. The assessment calculation  
31 shall be computed to six decimal places.

1           (4) Each qualified public depository shall pay its  
2 assessment to the Treasurer within 7 business days after it  
3 receives notice of the assessment. If a depository fails to  
4 pay its assessment when due, the Treasurer shall satisfy the  
5 assessment by demanding payment under letters of credit or  
6 selling collateral ~~securities~~ pledged or deposited by that  
7 depository.

8           (5) The Treasurer shall distribute the funds to the  
9 public depositors of the qualified public depository in  
10 default according to their validated claims. The Treasurer, at  
11 his or her discretion, may make partial payments to public  
12 depositors that have experienced a loss of public funds which  
13 payments are critical to the immediate operations of the  
14 public entity. The public depositor requesting partial payment  
15 of a claim shall provide the Treasurer with written  
16 documentation justifying the need for partial payment.

17           (6) Public depositors receiving payment under the  
18 provisions of this section shall assign to the Treasurer any  
19 interest they may have in funds that may subsequently be made  
20 available to the qualified public depository in default. If  
21 the qualified public depository in default or its receiver  
22 provides the funds to the Treasurer, the Treasurer shall  
23 distribute the funds, plus all accrued interest which has  
24 accumulated from the investment of the funds, if any, to the  
25 depositories which paid assessments on the same pro rata basis  
26 as the assessments were paid.

27           (7) Expenses incurred by the Treasurer in connection  
28 with a default or insolvency which are not normally incurred  
29 by the Treasurer in the administration of this act must be  
30 paid out of the amount paid under letters of credit or  
31 proceeds from the sale of ~~pledged~~ collateral.

1           Section 11. Section 280.09, Florida Statutes, is  
2 amended to read:

3           280.09 Public Deposits Trust Fund.--

4           (1) In order to facilitate the administration of this  
5 chapter, there is created the Public Deposits Trust Fund,  
6 hereafter in this section designated "the fund." The proceeds  
7 from the sale of securities or draw on letters of credit held  
8 ~~pledged~~ as collateral or from any assessment pursuant to s.  
9 280.08 shall be deposited into the fund. Any administrative  
10 penalty collected pursuant to this chapter shall be deposited  
11 into the Treasurer's Administrative and Investment Trust Fund.

12           (2) The Treasurer is authorized to pay any losses to  
13 public depositors from the fund, and there are hereby  
14 appropriated from the fund such sums as may be necessary from  
15 time to time to pay the losses. The term "losses," for  
16 purposes of this chapter, shall also include losses of  
17 interest or other accumulations to the public depositor as a  
18 result of penalties for early withdrawal required by  
19 Depository Institution Deregulatory Commission Regulations or  
20 applicable successor federal laws or regulations because of  
21 suspension or disqualification of a qualified public  
22 depository by the Treasurer pursuant to s. 280.05 ~~s.~~  
23 ~~280.05(20)~~ or because of withdrawal from the public deposits  
24 program pursuant to s. 280.11. In that event, the Treasurer  
25 is authorized to assess against the suspended, disqualified,  
26 or withdrawing public depository, in addition to any amount  
27 authorized by any other provision of this chapter, an  
28 administrative penalty equal to the amount of the early  
29 withdrawal penalty and to pay that amount over to the public  
30 depositor as reimbursement for such loss. Any money in the

31



1 fund estimated not to be needed for immediate cash  
2 requirements shall be invested pursuant to s. 18.125.

3 Section 12. Section 280.10, Florida Statutes, is  
4 amended to read:

5 280.10 Effect of merger, or acquisition, or  
6 consolidation; change of name or address.--

7 (1) ~~When in the event~~ a qualified public depository is  
8 merged into, acquired by, or consolidated with a bank, savings  
9 bank, or savings association that is not a qualified public  
10 depository;7

11 (a) The resulting institution automatically becomes  
12 ~~shall become~~ a qualified public depository subject to the  
13 requirements of the public depository program., ~~and~~

14 (b) The contingent liability of the former institution  
15 shall be a liability of the resulting institution.

16 (c) The public deposits and associated collateral of  
17 the former institution shall be public deposits and collateral  
18 of the resulting institution.

19 (d) The resulting institution shall, within 90  
20 calendar 30 days after the effective date of the merger,  
21 acquisition, or consolidation, ~~the resulting institution shall~~  
22 ~~execute in its own name and deliver to the Treasurer:~~

23 1. the contingent liability agreement required by s.  
24 280.07, and all information and Documentation in its name as  
25 ~~may be~~ required for participation in the public deposits  
26 program; or

27 2. Written notice of intent to withdraw. ~~If the~~  
28 ~~resulting institution chooses not to remain a qualified public~~  
29 ~~depository, or does not meet the requirements to become a~~  
30 ~~qualified public depository, such institution shall comply~~  
31 ~~with the procedures for withdrawal from the program as~~

1 provided in s. 280.11 and a proposed effective date of  
2 withdrawal which must be within 180 days after the effective  
3 date of the acquisition, merger, or consolidation.

4 (e) If the resulting institution does not meet the  
5 requirements for becoming a qualified public depository or  
6 does not submit the required documentation within 90 calendar  
7 days after the effective date of the merger, acquisition, or  
8 consolidation, the Treasurer shall initiate mandatory  
9 withdrawal actions as provided in s. 280.11 and shall set an  
10 effective date of withdrawal that is within 180 days after the  
11 effective date of the acquisition by, merger into, or  
12 consolidation with the former institution.

13 (2) When a qualified public depository ~~which sells or~~  
14 disposes of any of its Florida public deposits or collateral  
15 securing such deposits in a manner not covered under  
16 subsection (1):

17 (a) The qualified public depository that originally  
18 held the public deposits ~~its branches to an institution that~~  
19 ~~is not a qualified public depository, and such branches~~  
20 ~~continue to hold public deposits,~~ shall be responsible for:

21 1. Ensuring that the institution that receives such  
22 public deposits becomes a qualified public depository and  
23 meets collateral requirements with the Treasurer as part of  
24 the transaction.

25 2. Notifying the Treasurer within 30 calendar days  
26 after the final approval by the appropriate regulator.

27 (b) A qualified public depository that fails to meet  
28 those responsibilities shall ~~and~~ continue to collateralize and  
29 report such public deposits until the receiving purchasing  
30 institution becomes a qualified public depository and  
31 collateralizes the deposits or the deposits are returned to

1 the governmental public unit. ~~The qualified public depository~~  
2 ~~shall notify the Treasurer of any acquisition of its branches~~  
3 ~~on its next monthly report after the final approval by the~~  
4 ~~appropriate regulator if the acquisition includes public~~  
5 ~~deposits.~~

6 (3) The qualified public depository shall notify the  
7 Treasurer of any acquisition or merger within 30 calendar days  
8 ~~on its next monthly report~~ after the final approval of the  
9 acquisition or merger by its appropriate regulator.

10 (4) Collateral subject to a collateral depository  
11 ~~pledge~~ agreement may not be released by the Treasurer or the  
12 custodian until the assumed liability is evidenced by the  
13 deposit of collateral pursuant to the collateral depository  
14 ~~pledge~~ agreement of the successor entity. The reporting  
15 requirement and pledge of collateral will remain in force  
16 until the Treasurer determines that the liability no longer  
17 exists. The surviving or new qualified public depository  
18 shall be responsible and liable for all of the liabilities and  
19 obligations of each qualified public depository merged with or  
20 acquired by it.

21 (5) Each qualified public depository shall report any  
22 change of name and address to the Treasurer on a form provided  
23 by the Treasurer regardless of whether the name change is a  
24 result of an acquisition, or merger, or consolidation.  
25 Notification of such change must be made within 30 calendar  
26 days after the effective date of the change ~~on its next~~  
27 ~~monthly report.~~

28 (6) The Treasurer shall adopt rules establishing  
29 procedures for mergers, acquisitions, consolidations, and  
30 changes in name and address, for providing forms, and for  
31 clarifying terms.

1           Section 13. Subsection (1) of section 280.11, Florida  
2 Statutes, is amended to read:

3           280.11 Withdrawal from public deposits program; return  
4 of pledged collateral.--

5           (1) A qualified public depository may withdraw from  
6 the public deposits program by giving written notice to the  
7 Treasurer. The contingent liability, required collateral, and  
8 reporting requirements of the depository withdrawing from the  
9 program shall continue for a period of 12 months after the  
10 effective date of the withdrawal, except that the filing of  
11 reports may no longer be required when the average monthly  
12 balance of public deposits is equal to zero. Notice of  
13 withdrawal shall be mailed or delivered in sufficient time to  
14 be received by the Treasurer at least 30 days before the  
15 effective date of withdrawal. The Treasurer shall timely  
16 publish the withdrawal notice in the Florida Administrative  
17 Weekly which shall constitute notice to all depositors. The  
18 withdrawing depository shall not receive or retain public  
19 deposits after the effective date of the withdrawal until such  
20 time as it again becomes a qualified public depository. The  
21 Treasurer shall, upon request, return to the depository that  
22 portion of the collateral pledged that is in excess of the  
23 required collateral as reported on the current public  
24 depository monthly report. Losses of interest or other  
25 accumulations, if any, because of withdrawal under this  
26 section shall be assessed and paid as provided in s. 280.09 ~~s.~~  
27 ~~280.09(2)~~.

28           Section 14. Section 280.13, Florida Statutes, is  
29 amended to read:

30           280.13 Eligible collateral ~~eligible for pledge by~~  
31 ~~banks and savings associations.--~~

- 1           (1) Securities eligible to be pledged as collateral by  
2 banks and savings associations shall be limited to:
- 3           (a) Direct obligations of the United States  
4 Government.
- 5           (b) Obligations of any federal agency that are fully  
6 guaranteed as to payment of principal and interest by the  
7 United States Government.
- 8           (c) Obligations of the following federal agencies:
- 9           1. Farm credit banks.  
10           2. Federal land banks.  
11           3. The Federal Home Loan Bank and its district banks.  
12           4. Federal intermediate credit banks.  
13           5. The Federal Home Loan Mortgage Corporation.  
14           6. The Federal National Mortgage Association.  
15           7. Obligations guaranteed by the Government National  
16 Mortgage Association.
- 17           (d) General obligations of a state of the United  
18 States, or of Puerto Rico, or of a political subdivision or  
19 municipality thereof.
- 20           (e) Obligations issued by the Florida State Board of  
21 Education under authority of the State Constitution or  
22 applicable statutes.
- 23           (f) Tax anticipation certificates or warrants of  
24 counties or municipalities having maturities not exceeding 1  
25 year.
- 26           (g) Public housing authority obligations.
- 27           (h) Revenue bonds or certificates of a state of the  
28 United States or of a political subdivision or municipality  
29 thereof.
- 30           (i) Corporate bonds of any corporation that is not an  
31 affiliate or subsidiary of the qualified public depository.

1           (2) In addition to the securities listed in subsection  
2 (1), the Treasurer may, in his or her discretion, allow the  
3 pledge of the following types of securities. The Treasurer  
4 shall, by rule, define any restrictions, specific criteria, or  
5 circumstances for which these instruments will be acceptable.

6           (a) Securities of, or other interests in, any open-end  
7 management investment company registered under the Investment  
8 Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended  
9 from time to time, provided the portfolio of such investment  
10 company is limited to direct obligations of the United States  
11 Government and to repurchase agreements fully collateralized  
12 by such direct obligations of the United States Government and  
13 provided such investment company takes delivery of such  
14 collateral either directly or through an authorized custodian.

15           (b) Collateralized Mortgage Obligations.

16           (c) Real Estate Mortgage Investment Conduits.

17           (3) Except as to obligations issued by or with respect  
18 to which payment of interest and principal is guaranteed by  
19 the United States Government or obligations of federal  
20 agencies listed in subsection (1), the debt obligations  
21 mentioned in this section shall be rated in one of the four  
22 highest classifications by an established, nationally  
23 recognized investment rating service.

24           (4) To be eligible as collateral under this section,  
25 all debt obligations shall be interest bearing or accruing.

26           (5) A letter of credit issued by a Federal Home Loan  
27 Bank is eligible as collateral under this section if:

28           (a) The letter of credit has been delivered to the  
29 Treasurer in the standard format approved by the Treasurer.

30           (b) The letter of credit meets required conditions of:

31           1. Being irrevocable.

1           2. Being clean and unconditional, which includes  
2 containing a statement that it is not subject to any  
3 agreement, condition, or qualification outside of the letter  
4 of credit and providing that a beneficiary need only present  
5 the original letter of credit with any amendments and the  
6 demand form to promptly obtain funds and that no other  
7 document need be presented.

8           3. Being issued, presentable, and payable at a Federal  
9 Home Loan Bank in U.S. dollars. Presentation may be made by  
10 the beneficiary's submitting the original letter of credit,  
11 including any amendments, and the demand in writing, by  
12 overnight delivery.

13           4. Containing a statement that identifies and defines  
14 the Treasurer as beneficiary.

15           5. Containing an issue date and a date of expiration.

16           6. Containing a term of at least 1 year and an  
17 evergreen clause that provides for at least 60 days' written  
18 notice to the beneficiary prior to an expiration date for  
19 nonrenewal.

20           7. Containing a statement that it is subject to and  
21 governed by the laws of the State of Florida and that, in the  
22 event of any conflict with other laws, the laws of the State  
23 of Florida will control.

24           8. Containing a statement that the letter of credit is  
25 an obligation of the Federal Home Loan Bank and is in no way  
26 contingent upon reimbursement.

27           9. Any other provision found necessary under the  
28 Uniform Commercial Code: Letters of Credit.

29           (c) Obligations issued by the Federal Home Loan Bank  
30 remain triple-A rated by a nationally recognized source.

31

1           (d) The Federal Home Loan Bank that issues the letter  
2 of credit agrees to provide confirmation upon request from the  
3 Treasurer. This confirmation must be provided within 15  
4 working days after the request is made, in a format prescribed  
5 by the Treasurer, and must require no identification other  
6 than the name and location of the qualified public depository.

7           (e) The qualified public depository completes an  
8 agreement covering the use of the letter of credit as eligible  
9 collateral, as described in s. 280.041(5).

10           (f) The qualified public depository, if notified by  
11 the Treasurer, shall not be allowed to use a letter of credit  
12 if the Federal Home Loan Bank fails to pay a draw request as  
13 provided for in the letter of credit or fails to properly  
14 complete a confirmation of such a letter of credit.

15           (6) Cash held by the Treasurer in the Treasury Cash  
16 Deposit Trust Fund or by a custodian is eligible as collateral  
17 under this section. Interest earned on cash deposits which is  
18 in excess of required collateral must be paid to the qualified  
19 public depository upon request.

20           ~~(7)(5)~~ The Treasurer may disapprove any security or  
21 letter of credit that does not meet the requirements of this  
22 section or any rule adopted pursuant to this section or any  
23 security for which no current market price can be obtained  
24 from a nationally recognized source deemed acceptable to the  
25 Treasurer or which cannot be readily converted to cash.

26           (8) The Treasurer shall adopt rules prescribing  
27 restrictions and special requirements for eligible collateral,  
28 and clarifying terms.

29           Section 15. Section 280.16, Florida Statutes, is  
30 amended to read:

31



1           280.16 Requirements of qualified public depositories;  
2 confidentiality.--

3           (1) In addition to any other requirements specified in  
4 this chapter, qualified public depositories shall:

5           (a) ~~Beginning July 1, 1998,~~Take the following actions  
6 for each public deposit account:

7           1. Identify the account as a "Florida public deposit"  
8 on the deposit account record with the name of the public  
9 depositor or provide a unique code for the account for such  
10 designation.

11           2. When the form prescribed by the Treasurer for  
12 acknowledgment of receipt of each public deposit account is  
13 presented to the qualified public depository by the public  
14 depositor opening an account, the qualified public depository  
15 shall execute and return the completed form to the public  
16 depositor.

17           3. When the acknowledgment of receipt form is  
18 presented to the qualified public depository by the public  
19 depositor due to a change of account name, account number, or  
20 qualified public depository name on an existing public deposit  
21 account, the qualified public depository shall execute and  
22 return the completed form to the public depositor within 45  
23 calendar days after such presentation.

24           4. When the acknowledgment of receipt form is  
25 presented to the qualified public depository by the public  
26 depositor on an account existing before July 1, 1998, the  
27 qualified public depository shall execute and return the  
28 completed form to the public depositor within 45 calendar days  
29 after such presentation.

30           (b) Within 15 days after the end of each calendar  
31 month, or when requested by the Treasurer, submit to the

1 Treasurer a written report, under oath, indicating the average  
2 daily balance of all public deposits held by it during the  
3 reported month, required collateral, a detailed schedule of  
4 all securities pledged as collateral, selected financial  
5 information, and any other information that the Treasurer  
6 determines necessary to administer this chapter.

7 (c) Provide to each public depositor annually, not  
8 later than October 30, the following information on all open  
9 accounts identified as a "Florida public deposit" for that  
10 public depositor as of September 30, to be used for  
11 confirmation purposes: the federal employer identification  
12 number of the qualified public depository, the name on the  
13 deposit account record, the federal employer identification  
14 number on the deposit account record, and the account number,  
15 account type, and actual account balance on deposit. Any  
16 discrepancy found in the confirmation process shall be  
17 reconciled before November 30.

18 (d) Submit to the Treasurer annually, not later than  
19 November 30, a report of all public deposits held for the  
20 credit of all public depositors at the close of business on  
21 September 30. Such annual report shall consist of public  
22 deposit information in a report format prescribed by the  
23 Treasurer. The manner of required filing may be as a signed  
24 writing or electronic data transmission, at the discretion of  
25 the Treasurer.

26 (e) Submit to the Treasurer not later than the date  
27 required to be filed with the federal agency:

28 1. A copy of the quarterly Consolidated Reports of  
29 Condition and Income, and any amended reports, required by the  
30 Federal Deposit Insurance Act, 12 U.S.C. ss. 1811 et seq., if  
31 such depository is a bank; or

1           2. A copy of the Thrift Financial Report, and any  
2 amended reports, required to be filed with the Office of  
3 Thrift Supervision if such depository is a savings and loan  
4 association.

5           (2) The following forms must be made under oath:

6           (a) The agreement of contingent liability.

7           (b) Collateral control agreements and letter of credit  
8 agreements ~~The public depository pledge agreement.~~

9           (3) Any information contained in a report of a  
10 qualified public depository required under this chapter or any  
11 rule adopted under this chapter, together with any information  
12 required of a financial institution that is not a qualified  
13 public depository, shall, if made confidential by any law of  
14 the United States or of this state, be considered confidential  
15 and exempt from the provisions of s. 119.07(1) and not subject  
16 to dissemination to anyone other than the Treasurer under the  
17 provisions of this chapter; however, it is the responsibility  
18 of each qualified public depository and each financial  
19 institution from which information is required to inform the  
20 Treasurer of information that is confidential and the law  
21 providing for the confidentiality of that information, and the  
22 Treasurer does not have a duty to inquire into whether  
23 information is confidential.

24           Section 16. Except as otherwise expressly provided in  
25 this act, this act shall take effect October 1, 2001.

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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                                           COMMITTEE SUBSTITUTE FOR  
3                                                           SB 1670  
4           Strengthens the collateral control agreement terms by  
5           including an acknowledgement of perfected security interest by  
6           the pledgor financial institution.  
7           Requires the Treasurer to notify the custodian of collateral  
8           of any change in the Uniform Commercial laws in Florida which  
9           affects the requirements for a perfected security interest in  
10          collateral. The custodian has 180 days from such notice to  
11          withdraw, if the required collateral services cannot be  
12          provided.  
13          Provides that any additional expenses of the public deposit  
14          program not covered by the resources of the program would be  
15          paid in the same manner as loss assessments on qualified  
16          public depositories, as provided in s. 280.08, F.S.  
17          Authorizes the Treasurer to establish special instructions for  
18          required collateral for a qualified public depository in order  
19          to protect the integrity of the public deposit program.  
20          Eliminates the provision revising public records exemptions  
21          for qualified public depository information to include  
22          information obtained by the Oversight Board.  
23          Provides that the provisions of section 3 of the bill are  
24          effective July 1, 2001. All other provisions of the bill are  
25          effective October 1, 2001.  
26          Makes technical changes.  
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