STORAGE NAME: h0521s1.ccc
DATE: April 5, 2001

HOUSE OF REPRESENTATIVES
AS REVISED BY THE
COUNCIL ON COMPETITIVE COMMERCE
ANALYSIS

BILL #: CS/HB 521

RELATING TO: Financial Institutions

SPONSOR(S): Council for Competitive Commerce & Representative Green

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

(1) BANKING YEAS 8 NAYS 0
(2) FISCAL POLICY & RESOURCES YEAS 12 NAYS 0
(3) COUNCIL ON COMPETITIVE COMMERCE YEAS 10 NAYS 0
(4)
(5)

I. SUMMARY:

The bill makes numerous clarifying and substantive changes to the Florida Statutes regulating financial institutions.

- Provides that the pay-on-death account provisions of the Florida Statutes would apply to and govern deposits in trust, affecting only deposits made to an account created after December 31, 1994.

- Places one-bank holding companies on a par with multi-bank holding companies when it comes to the ability to make loans to itself when the collateral contains shares of its own stock, with the exception that it cannot use the loan for re-capitalization (buy more shares of it's own stock).

- Amends s. 655.50, F.S. (money laundering). The bill amends s. 655.50, F.S., so that the financial transaction reporting requirements track federal reporting standards.

- Allows the department to return a substantially incomplete application to an applicant; allows resubmission of the application within 30 days without payment of an additional fee.

- Sets $6/$4 million minimum capital for new banks (depending on locale) and mandates organizing directors subscribe to 25% of capital stock. Eliminates an application and filing fee for relocation of a bank's main office if operating in a safe and sound manner.

- Eliminates the description of a "strong and well-managed" institution, and replaces "strong and well-managed" with "operating in a safe and sound manner."

- Eliminates the current requirement in s. 658.34(4), F.S., making approval of the department necessary for the issuance of previously un-issued stock to declare or pay dividends. However, the bill would insert language in that section requiring dividends declared or paid from previously un-issued stock to comply with provisions of s. 658.34, F.S., (shares of capital stock) and s. 658.37, F.S., (dividends and surplus).

- Eliminates the obsolete requirement to reserve a corporate name with the Secretary of State.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1.	Less Government	Yes []	No []	N/A [x]
2.	Lower Taxes	Yes []	No []	N/A [x]
3.	Individual Freedom	Yes []	No []	N/A [x]
4.	Personal Responsibility	Yes []	No []	N/A [x]
5.	Family Empowerment	Yes []	No []	N/A [x]

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Disposition of Deposits

Section 655.81, F.S. (deposits in trust), provides that deposits made by any person describing himself or herself as a trustee, without further written notice of the existence and terms of a legally valid trust, may be paid by the institution to the person for whom the deposit was stated to have been made, in the event the person described as the trustee dies. The section further provides that in the case of a credit union, deposits may be held in the name of a member in trust for a beneficiary. That beneficiary, however, unless a member of the credit union in his or her own right, will not incur the duties or privileges of membership.

In addition, s. 655.82, F.S. (pay-on-death accounts), governs the disposition of accounts that are designated "pay-on-death." That section defines a "pay-on-death designation" as the designation of:

1) a beneficiary in an account payable on request to one party during the party's lifetime and on the party's death to one or more beneficiaries, or to one or more parties during their lifetimes and on death of all of them to one or more beneficiaries; or

2) a beneficiary in an account in the name of one or more parties as trustee for one or more beneficiaries if the relationship is established by the terms of the account and there is no subject of the trust other than the sums on deposit in the account, whether or not payment to the beneficiary is mentioned.

The section further defines a "beneficiary" as "a person named as one to whom sums on deposit in an account are payable on request after death of all parties or for whom a party is named as a trustee."

Since s. 655.82(3)(b), F.S., provides that "[I]n an account with a pay-on-death designation, . . . on the death of the sole party or the last survivor of two or more parties, sums on deposit belong to the surviving beneficiary or beneficiaries," deposits in trust contemplated by s. 655.81, F.S., also fall within the operation of s. 655.82, F.S., dealing with pay-on-death accounts, in that deposits in trust must be paid to surviving beneficiaries upon the death of a named trustee.

According to proponents of the bill and the Department of Banking and Finance, deposits in trust generate documentary and record keeping costs associated with the application of probate laws. In contrast, deposits in pay-on-death accounts pass directly to a beneficiary by operation of law, and like deposits passing to a surviving owner of a joint account with right of survivorship, are not subject to probate. Furthermore, both the department and bill proponents maintain that operation of the statutory provision dealing with pay-on-death accounts, which the Legislature passed in 1994, was meant to include deposits in trust.

Florida Statutes Chapter 655 - Financial Institutions Reporting Requirements

Section 655.50, F.S., requires financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters, and to implement counter-money laundering programs and compliance procedures, and authorizes certain exemptions under the authority of 31 U.S.C. 5313. Florida Statutes, however, impose a requirement on banks to report currency transactions over the amount of $10,000 while the federal scheme grants broad exemptions and requires reporting of "suspicious activity."

The provisions of 31 U.S.C. 5313(d) through (g), added to the Bank Secrecy Act in 1994, concern the exemption of transactions by certain customers of depository institutions. 31 U.S.C. 5313(d) (sometimes called the "mandatory exemption" provision) states that the Secretary of the Treasury shall exempt a depository institution from the requirement to report currency transactions with respect to transactions between the depository institution and four specified categories of customers, while 31 U.S.C. 5313(e) (sometimes called the "discretionary exemption" provision) authorizes the Secretary of the Treasury to exempt a depository institution from the requirement to report transactions in currency between it and a qualified business customer. A "qualified business customer," for purposes of the discretionary exemption provision, is a business that:

- Maintains a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act) at the depository institution;
- Frequently engages in transactions with the depository institution which are subject to the reporting requirements of subsection (a); and,
- Meets criteria that the Secretary determines are sufficient to ensure that the purposes of this subchapter are carried out without requiring a report with respect to such transactions.

Section 8(s)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(s)(1)), as amended by section 2596(a)(2) of the Crime Control Act of 1990 (Pub. L. 101-647), mandates that the Office of the Comptroller of the Currency (OCC) issue regulations requiring banks under its supervision to establish and maintain internal procedures that are reasonably designed to ensure and monitor compliance with the Bank Secrecy Act. Effective "Know Your Customer" programs serve to facilitate compliance with the Bank Secrecy Act.

Bank or Trust Company Application for Authority/Capitalization/Director Requirements

Currently, an applicant seeking authority to organize a bank or trust company must submit an application with a non-refundable filing fee of $15,000 to the department. The department then examines the application and undergoes an exhaustive examination process to determine the viability of the applicant to organize an institution. According to the department, applications with deficiencies are returned to the applicant, who may then resubmit the corrected application along with another non-refundable application fee.

Among the findings required by the department to grant authority for a bank and trust company is appropriate minimum capitalization. Florida Statutes set a minimum capitalization for a bank at no less than $4 million for an institution located in a county with a metropolitan statistical area, and $2

million for an institution located elsewhere. The department, by policy, requires minimum capitalization at $6 million and $4 million, respectively, which is FDIC standards. As a result, the department has required banks to meet the higher standards to ensure that the FDIC insures the banks.

The capital structure has minimum requirements as well. Paid-in capital must be in an amount not less than 50 percent of its total capital accounts, paid-in surplus must be in an amount not less than 20 percent of its paid-in capital, and there must be a fund designated as undivided profits in an amount not less than five percent of its paid-in capital. Proposed officers must have sufficient financial institution experience. A director who is not a proposed officer must have at least one-year executive or regulatory experience in banking within three years of the application. The department may waive this requirement if the director has "very substantial" experience in banking. The department determines the viability of the proposed applicant against the backdrop of the Uniform Financial Institutions Rating System (UFIRS), commonly known as the CAMELS rating system. The existing CAMELS rating system produces a composite rating of an institution's overall condition and performance by assessing five components: **C**apital adequacy, **A**sset quality, **M**anagement administration, **E**arnings, **L**iquidity, and **S**ensitivity to Market Risk. A CAMELS score of "1" is the best overall rating while a rating of "5" is the very worst.

With regards to generating investment support, under current law directors must complete the new bank or trust company's stock offering and file with the department a final list of subscribers at least 30 days prior to the issuance of the stock.

The bank or trust company is required to open for business no later than six months after commencing its corporate existence. The department has the discretion to extend that deadline for an additional six months for good cause shown. In any case, the institution must be opened for business no later than one year after its corporate existence is commenced.

Bank Branching, Relocation, and Consolidation

Currently, every bank or trust company that desires to open a branch office must file with the department a branch application with applicable fees, unless that institution is run in a "safe and sound manner" as determined by the department in accordance with its administrative rules. Rule 3C-105.402, F.A.C. The Rule states that a safe and sound financial institution is an institution that has been in operation for at least 24 months, is well-capitalized, has adequate management, has received an aggregate rating at the institution's most recent state or federal safety and soundness examination (CAMELS rating) of no less than "2," and is not the object of any enforcement action.

Strong, well-managed institutions pay reduced fees for branch applications, and reduced application fees for relocation of offices. For instance, a bank run in a safe and sound manner need only to send the department a notice at least 30 days prior to the branch's opening.

An office may relocate upon prior notice and approval by the department upon filing the appropriate fees and application for relocation. An application for the relocation of an office that has not been in operation for more than 24 months shall be published in the Florida Administrative Weekly. A relocation application filed by a "strong, well-managed" state bank or trust company shall be deemed approved if not denied within 10 days of receipt by the department. The phrase "strong, well-managed" is defined as an institution that has been in operation for at least 24 months, is well capitalized, has received a satisfactory rating at the institution's most recent state or federal safety and soundness examination, and is not the object of any enforcement actions. Section 658.26 (6), F.S.

An established branch office may consolidate with another established branch office that is located within a mile of each other with 30 days prior notice, and any other information required by the department.

Finally, the department receives continuous requests for a "certificate of good standing" from entities that require some certification that a financial institution is licensed to conduct business in the state. The department reports that its out-of-pocket expense for issuing these certificates is $25 for each request.

Stock Dividends

Newly formed banks and trust companies must submit articles of incorporation containing, among other things, the amount of capital stock that is authorized. Florida Statutes allow banks or trust companies to issue less than all of this authorized capital stock with the approval of the department. Statutes further provide that once a bank or trust company elects to withhold a portion of its capital stock, the un-issued stock may be issued later only for specified purposes. These purposes are:

1) To provide for stock options;
2) To declare or pay a stock dividend, with the approval of the department; or
3) To increase the capital of the bank or trust company, with the approval of the department.

Florida law further provides rules governing the declaration of dividends and surplus. Section 658.37, F.S.

Lending Limitations

Section 658.48, F.S., places certain limitations on a state bank's ability to make loans and extensions of credit, with or without security, generally, to executive officers, directors, other persons, and even to itself as an institution. For instance, a bank may extend credit to any person up to an amount of 15 percent of its capital accounts for unsecured lines of credit, and a one-bank holding company is not permitted to make a loan to itself when if the collateral for the loan contains shares of the institution itself.

C. EFFECT OF PROPOSED CHANGES:

Disposition of Deposits

The bill repeals s. 655.81, F.S., pertaining to deposits in trust, and expresses the Legislature's intent that the pay-on-death account provisions of the Florida Statutes would apply to and govern deposits in trust. That intent language further provides that references to the deposits in trust statute in any depository agreement would be interpreted as referring to the pay-on-death accounts statute. The bill's provisions would affect only deposits made to an account created after December 31, 1994.

Upon the death of a named trustee deposits in trust may pass directly to beneficiaries by operation of law, which may relieve financial institutions holding these accounts from certain record keeping burdens associated with probate.

Florida Statutes Chapter 655 - Financial Institutions Reporting Requirements

The bill amends s. 655.50, F.S., so that the financial transaction reporting requirements track federal reporting standards, focusing upon "suspicious activity reports."

Bank or Trust Company Application for Authority/Capitalization/Director Requirements

The bill will provide a bank or trust company applicant a one-time opportunity to correct an initial application for authority to organize without incurring additional fees if resubmission occurs within 60 days after the department returns the application.

The bill increases the statutory minimum capitalization requirements for de novo banks or trust companies, from not less than $4 million to not less than $6 million for an institution located in a county with a metropolitan statistical area, and from $2 million to $4 million for an institution located elsewhere. This section requires that at least 25 percent of total capital at opening be directly controlled by the organizing directors of the bank, and at least 25 percent of a bank holding company's capital account if the bank is owned by a single-bank holding company. These proposed changes track department policies and codifies current department practices.

This section removes from the proposed capital structure of a bank or trust company, language requiring an existing fund designated as undivided profits equal in an amount to not less than five percent of its paid in capital, which conflicts with Generally Accepted Accounting Principles. This section increases from one to two, the number of proposed directors who are not proposed officers who are required to have at least one year executive or regulatory experience in banking within three years of the application. The department may waive this requirement if at least one of the proposed directors has substantial experience in banking.

Instead of requiring the directors to complete the stock offering and to forward the list of subscribers sent to the department at least 30 days prior to the issuance of the stock, the bill requires the directors to have completed the new bank or trust company's stock offering and to file with the department a final list of subscribers at least 30 days prior to opening the institution. This adjustment is likely to give de novo applicants more flexibility in the process.

The bill increases the amount of time that a bank or trust company must open for business after commencement of its corporate existence, from six months to one year. Language providing for department discretion to extend the opening date of the institution is removed.

Bank Branching, Relocation, and Consolidation

The bill clarifies that a bank or trust company that wishes to open a branch but does not meet the requirements for the branch notification process (e.g., not operating in a safe and sound manner, as defined, with a CAMELS rating of "4" or "5") must file a written application with fees to the department. The bill eliminates the requirement that a relocation application for a main office that has not been in existence for more than 24 months be published in the Florida Administrative Weekly. This section eliminates the description of a "strong and well-managed" institution, and replaces "strong and well-managed" with "operating in a safe and sound manner." The bill provides an incentive for institutions by eliminating the application and filing fee for relocation of a bank's main office if it is operating in a safe and sound manner. The bill eliminates the requirement that an applicant to purchase assets and assume liabilities, which will result in the establishment of more than 10 branch locations in the state, pay a fee of $100 for each additional branch location. The department maintains that the work involved in such an examination does not vary much whether the assumption adds 1 or more branches over the 10. The bill also eliminates language permitting the department to refund up to half an application fee if the applicant withdraws the application prior to publication in the Florida Administrative Weekly. The department reports that the timing for application submission and publication is so tight, that there is no institutional memory whether an application was ever withdrawn prior to publication.

Finally, the bill establishes a $25 fee for each “certificate of good standing” that is requested -- the fee is waived for law enforcement and regulatory agencies.

Stock Dividends

The bill would eliminate the current requirement in s. 658.34(4), F.S., making approval of the department necessary for the issuance of previously un-issued stock to declare or pay dividends. However, the bill would insert language in that section requiring dividends declared or paid from previously un-issued stock to comply with provisions of s. 658.34, F.S.,(shares of capital stock) and s. 658.37, F.S., (dividends and surplus).

Under s. 658.37, F.S., directors of a bank or trust company may quarterly, semiannually, or annually declare dividends for some or all of the net profits, as they judge expedient. The directors may also declare dividends from retained profits from the preceding two years. However, the directors may not declare dividends from net profits retained from a period prior to the preceding two years without department approval. Thus, a bank or trust company would be required to seek department approval before issuing un-issued stock to pay dividends only if the un-issued stock constituted net profits from a period earlier than two years before the most recent quarterly, semiannual, or annual dividend period.

Lending Limitations

The bill amends s. 658.48, F.S., and places one-bank holding companies on a par with multi-bank holding companies when it comes to the ability to make loans to itself when the collateral contains shares of its own stock, with the exception that it cannot use the loan for re-capitalization (buy more shares of it’s own stock). If the one-bank holding company’s stock is listed and traded on a recognized exchange, the stock may not be valued above 70 percent of its market value. If the stock is not listed and traded, it may not be valued at more than 70 percent of its book value. In addition, the bill limits a bank to applying no more than 15 percent of the capitol accounts to a loan on the security of its shares that are listed and traded on a recognized exchange.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 amends s. 655.043, F.S., eliminating the obsolete requirement to reserve a corporate name with the Secretary of State.

Section 2 provides legislative intent language that the pay-on-death account provisions of the Florida Statutes would apply to and govern deposits in trust. The language further provides that references to the deposits in trust statute in any depository agreement would be interpreted as referring to the pay-on-death accounts statute. This section’s provisions would affect only deposits made to an account created after December 31, 1994.

Section 3 amends s. 655.411, F.S., eliminating the obsolete requirement to reserve a corporate name with the Secretary of State.

Section 4 amends s. 655.50, F.S., requiring financial institutions to record information relevant to the person whose transactions are exempt rather than the transaction itself, tracking the federal standard for financial transaction reporting.

Section 5 amends s. 655.82, F.S., to preserve depository agreements relating to pay-on-death accounts written between December 31, 1994, and July 1, 2001.

Section 6 amends s. 658.12, F.S., expanding the class of entities to which a banker's bank could provide services.

Section 7 amends s. 658.165, F.S., authorizing a banker's bank to provide services on behalf of the expanded class of entities, from depository institutions to financial institutions.

Section 8 amends s. 658.19, F.S., providing a bank or trust company applicant a one-time opportunity to correct an initial application for authority to organize without incurring additional fees if resubmission occurs within 60 days after the department returns the application.

Section 9 amends s. 658.21, F.S., increasing the minimum capitalization requirements for de novo banks, from $4 million to $6 million for an institution located in a county with a metropolitan statistical area, and from $2 million to $4 million for an institution located elsewhere. This section requires that at least 25 percent of total capital at opening be directly controlled by the organizing directors of the bank, and at least 25 percent of a bank holding company's capital account to be so controlled if the bank is owned by a single-bank holding company. This section removes from the proposed capital structure of a bank or trust company, language requiring an existing fund designated as undivided profits equal in an amount to not less than five percent of its paid in capital. This section increases from one to two, the minimum number of proposed directors (who are not proposed officers) that are required to have at least one year executive or regulatory experience in banking within three years of the application. The department may waive this requirement if at least one of the proposed directors has substantial experience in banking.

Section 10 makes a technical amendment to s. 658.23, F.S., eliminating the obsolete requirement to reserve a corporate name with the Secretary of State.

Section 11 amends s. 658.235, F.S., requiring directors to have completed the new bank or trust company's stock offering and to file with the department a final list of subscribers at least 30 days prior to opening the institution. Current law required the stock offering and list of subscribers sent to the department at least 30 days prior to the issuance of the stock.

Section 12 amends s. 658.25, F.S., increasing the amount of time that a bank or trust company must open for business after commencement of its corporate existence, from six months to one year. Language providing department discretion to extend the deadline is removed.

Section 13 amends s. 658.26, F.S., clarifying that a bank that wishes to open a branch but does not meet the requirements for the branch notification process (e.g., not operating in a safe and sound manner, as defined) must file a written application with fees to the department. This section also eliminates the requirement that a relocation application for a main office that has not been in existence for more than 24 months be published in the Florida Administrative Weekly. This section eliminates the description of a "strong and well-managed" institution, and replaces "strong and well-managed" with "operating in a safe and sound manner." This section eliminates language permitting branch offices to consolidate if they are within 1 mile of each other, made obsolete by the operating in a safe and sound manner standard.

Section 14 transfers s. 663.066, F.S., regarding the acquisition or ownership of a state bank by an international banking corporation, and renumbers same as s. 658.285, F.S.

Section 15 amends s. 658.34, F.S., requiring dividends declared or paid from previously un-issued stock to comply with provisions of s. 658.34, F.S., (shares of capital stock) and s. 658.37, F.S., (dividends and surplus), and eliminating the current requirement in s. 658.34(4), F.S., making approval of the department necessary for the issuance of previously un-issued stock to declare or pay dividends.

Section 16 amends s. 658.48, F.S., placing additional limitations relating to bank loans and the security of capitol stock. If the one-bank holding company's stock is listed and traded on a recognized exchange, the stock may not be valued above 70 percent of its market value. If the stock is not listed and traded, it may not be valued at more than 70 percent of its book value. In addition, the bill limits a bank to applying no more than 15 percent of the capitol accounts to a loan on the security of its shares that are listed and traded on a recognized exchange. It also places one-bank holding companies on a par with multi-bank holding companies when it comes to the ability to make loans to itself when the collateral contains shares of its own stock, with the exception that it cannot use the loan for re-capitalization (buy more shares of it's own stock).

Section 17 amends s. 658.73, F.S., eliminating an application and filing fee for relocation of a bank's main office if operating in a safe and sound manner. This section eliminates the requirement that an applicant who will establish more than 10 branch locations in the state pay a fee of $100 for each branch location. It also eliminates language permitting the department to refund up to half an application fee if the applicant withdraws the application prior to publication in the Florida Administrative Weekly. This section also establishes a $25 fee for "certificates of good standing;" the fee is waived for law enforcement and regulatory agencies.

Section 18 amends s. 663.09, F.S., removing language that subjects an international banking corporation to an administrative fine for filing an untimely financial audit.

Section 19 repeals s. 655.81, F.S., pertaining to deposits in trust, effective July 1, 2001. See, Section 2, above.

Section 21 provides that the bill will take effect upon becoming law, except for the repeal in section 19 that takes effect July 1, 2001.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill standardizes state financial transaction reporting with federal standards, which may reduce reporting expenses. Organizers filing a de novo bank or trust company application may avoid

duplicative fee expenses through a one-time opportunity to correct an initial application for authority to organize if resubmission occurs within 60 days after the department returns the application.

De novo institutions may incur additional organizational expense as this bill increases from one to two, the number of proposed directors (who are not proposed officers) that are required to have at least one year executive or regulatory experience in banking within three years of the application. This is a safety and soundness issue, however, so any expense may be offset by the security of experienced leadership.

Banks that operate in a safe and sound manner would save an application and filing fee expense for relocation of a bank's main office.

The bill may relieve some of the administrative cost to financial institutions associated with record keeping made necessary by Florida's probate laws. In addition, the bill would codify the practice of banker's banks, which lend to, and on behalf of, certain pre-chartered organizations, enhancing the possibility of their survival as new banks.

Entities requiring a "certificate of good standing" from the department would incur a $25 expense.

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill will not reduce the authority of municipalities and counties to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill will not reduce the state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

No apparent issues.

B. RULE-MAKING AUTHORITY:

The bill does not modify the department's existing rule-making authority.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 5, 2001, the Council on Competitive Commerce adopted three amendments and the bill passed favorably as a Council Substitute. The CS version differs from the bill as filed by adding the following provisions: Section 658.48, F.S., is amended to place one-bank holding companies on a par with multi-bank holding companies when it comes to the ability to make loans to itself when the collateral contains shares of its own stock, with the exception that it cannot use the loan for re-capitalization (buy more shares of it's own stock). If the one-bank holding company's stock is listed and traded on a recognized exchange, the stock may not be valued above 70 percent of its market value. If the stock is not listed and traded, it may not be valued at more than 70 percent of its book value. In addition, the bill limits a bank to applying no more than 15 percent of the capitol accounts to a loan on the security of its shares that are listed and traded on a recognized exchange.

Finally, s. 655.82, F.S., is amended to preserve depository agreements relating to pay-on-death accounts written between December 31, 1994, and July 1, 2001.

VII. SIGNATURES:

COMMITTEE ON BANKING:

Prepared by:	Staff Director:
Michael A. Kliner	Susan F. Cutchins

AS REVISED BY THE COMMITTEE ON FISCAL POLICY & RESOURCES:

Prepared by:	Staff Director:
Doug Pile	Greg Turbeville

AS FURTHER REVISED BY THE COUNCIL ON COMPETITIVE COMMERCE:

Prepared by:	Council Director:
Rebecca R. Everhart	Hubert "Bo" Bohannon