

1 A bill to be entitled

2 An act relating to banking; amending s. 494.0025, F.S.;  
3 prohibiting the use of the name or logo of a financial  
4 institution or its affiliates or subsidiaries under  
5 certain circumstances without written consent; amending  
6 ss. 516.07 and 520.995, F.S.; providing that the use of  
7 the name or logo of a financial institution or its  
8 affiliates or subsidiaries under certain circumstances  
9 without written consent is grounds for denial of a license  
10 or for disciplinary action; amending s. 626.9541, F.S.;  
11 providing that deceptive use of a name is an unfair method  
12 of competition and an unfair or deceptive act or practice;  
13 amending ss. 655.005 and 655.0322, F.S.; including  
14 international branches within the definitions of certain  
15 financial institutions; amending s. 655.0385, F.S.;  
16 clarifying an appointment notification requirement;  
17 requiring a nonrefundable fee to accompany certain  
18 notifications; amending s. 655.045, F.S.; exempting  
19 certain financial institutions from certain audit  
20 requirements; amending s. 655.059, F.S.; providing for  
21 inspection and examination of a financial institution's  
22 records and books pursuant to subpoena; requiring  
23 reimbursement of reasonable costs and fees for compliance;  
24 providing for setting reimbursement amount when certain  
25 charges are contested; amending s. 655.921, F.S.;  
26 providing an additional limitation on out-of-state  
27 financial institution qualifications for certain exempt  
28 transactions; removing language relating to authorization  
29 to maintain an office in the state; amending s. 655.922,

30 F.S.; including financial institutions authorized to do  
31 business in this state pursuant to the financial  
32 institutions codes of another state within an  
33 authorization to engage in certain business in this state;  
34 expanding a list of names or titles limited to use by  
35 financial institutions; prohibiting the use of the name or  
36 logo of a financial institution or its affiliates or  
37 subsidiaries under certain circumstances; requiring the  
38 Financial Services Commission to adopt certain  
39 implementing rules; amending s. 655.94, F.S.; removing a  
40 limitation on notary publics authorized to open a safety  
41 deposit box under certain circumstances; specifying use of  
42 certified mail for sending certain certificate copies;  
43 amending s. 658.16, F.S.; providing criteria for certain  
44 banks or trust companies to be considered incorporated  
45 under the financial institutions codes; providing  
46 definitions; amending s. 658.23, F.S.; deleting a bylaws  
47 filing requirement; amending s. 658.26, F.S.; authorizing  
48 certain financial institutions to establish or relocate an  
49 office under certain circumstances; providing for waiver  
50 of certain application, fee, and publication requirements;  
51 providing application requirements to relocate a branch;  
52 requiring an application filing fee; providing for  
53 compliance investigations by the office; prohibiting  
54 moving a main office outside the state under certain  
55 circumstances; deleting certain office relocation  
56 provisions; amending s. 658.33, F.S.; expanding the list  
57 of persons required to meet certain qualification criteria  
58 to be an officer of a bank or trust company; providing an

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59 additional criterion for granting a waiver of  
60 qualification requirements; amending s. 658.37, F.S.;  
61 prohibiting imminently insolvent banks from paying  
62 dividends; amending s. 658.48, F.S.; prohibiting  
63 imminently insolvent banks from making new loans or  
64 discounts; providing exceptions; amending s. 658.67, F.S.;  
65 providing an additional time criterion for determining the  
66 value of certain property acquired as security; amending  
67 s. 658.73, F.S.; limiting individuals or entities required  
68 to pay a fee for a "certificate of good standing";  
69 amending s. 663.16, F.S.; revising certain definitions;  
70 amending s. 663.304, F.S.; deleting a requirement to  
71 include evidence of a reservation of a proposed corporate  
72 name with certain applications; amending s. 665.034, F.S.;  
73 revising a minimum percentage requirement for designating  
74 control of an association; amending s. 674.406, F.S.;  
75 revising certain required time periods for purposes of  
76 protecting against unauthorized signatures or alterations;  
77 amending ss. 655.948, 658.60, 663.02, and 663.318, F.S.;  
78 deleting provisions relating to a repealed section;  
79 repealing s. 658.68, F.S., relating to liquidity  
80 requirements for a state bank; providing an effective  
81 date.

82  
83 Be It Enacted by the Legislature of the State of Florida:

84  
85 Section 1. Subsection (10) is added to section 494.0025,  
86 Florida Statutes, to read:

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87 494.0025 Prohibited practices.--It is unlawful for any  
 88 person:

89 (10) To use the name or logo of a financial institution as  
 90 defined in s. 655.005(1) or its affiliates or subsidiaries when  
 91 marketing or soliciting existing or prospective customers if  
 92 such marketing materials are used without the express written  
 93 consent of the financial institution and in a manner that would  
 94 lead a reasonable person to believe that the material or  
 95 solicitation originated from, was endorsed by, or is in any way  
 96 related to or the responsibility of the financial institution or  
 97 its affiliates or subsidiaries.

98 Section 2. Paragraph (o) is added to subsection (1) of  
 99 section 516.07, Florida Statutes, to read:

100 516.07 Grounds for denial of license or for disciplinary  
 101 action.--

102 (1) The following acts are violations of this chapter and  
 103 constitute grounds for denial of an application for a license to  
 104 make consumer finance loans and grounds for any of the  
 105 disciplinary actions specified in subsection (2):

106 (o) Using the name or logo of a financial institution as  
 107 defined in s. 655.005(1) or its affiliates or subsidiaries when  
 108 marketing or soliciting existing or prospective customers if  
 109 such marketing materials are used without the express written  
 110 consent of the financial institution and in a manner that would  
 111 lead a reasonable person to believe that the material or  
 112 solicitation originated from, was endorsed by, or is in any way  
 113 related to or the responsibility of the financial institution or  
 114 its affiliates or subsidiaries.

115 Section 3. Paragraph (j) is added to subsection (1) of

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116 section 520.995, Florida Statutes, to read:

117 520.995 Grounds for disciplinary action.--

118 (1) The following acts are violations of this chapter and  
 119 constitute grounds for the disciplinary actions specified in  
 120 subsection (2):

121 (j) Using the name or logo of a financial institution as  
 122 defined in s. 655.005(1) or its affiliates or subsidiaries when  
 123 marketing or soliciting existing or prospective customers if  
 124 such marketing materials are used without the express written  
 125 consent of the financial institution and in a manner that would  
 126 lead a reasonable person to believe that the material or  
 127 solicitation originated from, was endorsed by, or is in any way  
 128 related to or the responsibility of the financial institution or  
 129 its affiliates or subsidiaries.

130 Section 4. Paragraph (bb) is added to subsection (1) of  
 131 section 626.9541, Florida Statutes, to read:

132 626.9541 Unfair methods of competition and unfair or  
 133 deceptive acts or practices defined.--

134 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE  
 135 ACTS.--The following are defined as unfair methods of  
 136 competition and unfair or deceptive acts or practices:

137 (bb) Deceptive use of name.--Using the name or logo of a  
 138 financial institution as defined in s. 655.005(1) or its  
 139 affiliates or subsidiaries when marketing or soliciting existing  
 140 or prospective customers if such marketing materials are used  
 141 without the express written consent of the financial institution  
 142 and in a manner that would lead a reasonable person to believe  
 143 that the material or solicitation originated from, was endorsed  
 144 by, or is in any way related to or the responsibility of the

145 financial institution or its affiliates or subsidiaries.

146 Section 5. Paragraphs (h) and (p) of subsection (1) of  
 147 section 655.005, Florida Statutes, are amended to read:

148 655.005 Definitions.--

149 (1) As used in the financial institutions codes, unless  
 150 the context otherwise requires, the term:

151 (h) "Financial institution" means a state or federal  
 152 association, bank, savings bank, trust company, international  
 153 bank agency, international branch, representative office or  
 154 international administrative office, or credit union.

155 (p) "State financial institution" means a state-chartered  
 156 or state-organized association, bank, investment company, trust  
 157 company, international bank agency, international branch,  
 158 international representative office, international  
 159 administrative office, or credit union.

160 Section 6. Subsection (1) of section 655.0322, Florida  
 161 Statutes, is amended to read:

162 655.0322 Prohibited acts and practices; criminal  
 163 penalties.--

164 (1) As used in this section, the term "financial  
 165 institution" means a financial institution as defined in s.  
 166 655.50 which includes a state trust company, state or national  
 167 bank, state or federal association, state or federal savings  
 168 bank, state or federal credit union, Edge Act or agreement  
 169 corporation, international bank agency, international branch,  
 170 representative office or administrative office, or other  
 171 business entity as defined by the commission by rule, whether  
 172 organized under the laws of this state, the laws of another

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173 state, or the laws of the United States, which institution is  
 174 located in this state.

175 Section 7. Subsection (1) of section 655.0385, Florida  
 176 Statutes, is amended, subsection (4) of said section is  
 177 renumbered as subsection (5), and a new subsection (4) is added  
 178 to said section, to read:

179 655.0385 Disapproval of directors and executive  
 180 officers.--

181 (1) Each state financial institution shall notify the  
 182 office of the proposed appointment of any individual to the  
 183 board of directors or the appointment or employment of any  
 184 individual as an executive officer or equivalent position at  
 185 least 60 days before such appointment or employment becomes  
 186 effective, if the state financial institution:

187 (a) Has been chartered for less than 2 years;

188 (b) Has undergone a change in control or conversion within  
 189 the preceding 2 years. The office may exempt a financial  
 190 institution from this paragraph if it operates in a safe and  
 191 sound manner;

192 (c) Is not in compliance with the minimum capital  
 193 requirements applicable to such financial institution; or

194 (d) Is otherwise operating in an unsafe and unsound  
 195 condition, as determined by the office, on the basis of such  
 196 financial institution's most recent report of condition or  
 197 report of examination.

198 (4) Beginning 1 year after a financial institution opens,  
 199 each notification of a proposed appointment of an individual to  
 200 the board of directors must be accompanied by a nonrefundable  
 201 fee of \$35.

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202 Section 8. Paragraph (c) is added to subsection (3) of  
 203 section 655.045, Florida Statutes, to read:

204 655.045 Examinations, reports, and internal audits;  
 205 penalty.--

206 (3)

207 (c) Any de novo state financial institution open for fewer  
 208 than 4 months shall be exempt from the audit requirements of  
 209 this section.

210 Section 9. Paragraph (e) of subsection (1) of section  
 211 655.059, Florida Statutes, is amended to read:

212 655.059 Access to books and records; confidentiality;  
 213 penalty for disclosure.--

214 (1) The books and records of a financial institution are  
 215 confidential and shall be made available for inspection and  
 216 examination only:

217 (e) As compelled by a court of competent jurisdiction or  
 218 pursuant to a subpoena issued in accordance with and subject to  
 219 the provisions of the Florida Rules of Civil or Criminal  
 220 Procedure or the Federal Rules of Civil Procedure or pursuant to  
 221 a subpoena issued in accordance with the provisions of the laws  
 222 of this state or of the United States. Prior to the production  
 223 of the books and records of a financial institution, the party  
 224 seeking production shall reimburse the financial institution for  
 225 the reasonable costs and fees incurred in compliance with the  
 226 production. If the parties disagree regarding the amount of  
 227 reimbursement, the party seeking the records may request the  
 228 court or agency having jurisdiction over the matter to set the  
 229 amount of the reimbursement;

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230 Section 10. Section 655.921, Florida Statutes, is amended  
 231 to read:

232 655.921 Transaction of business by out-of-state financial  
 233 institutions; exempt transactions in the financial institutions  
 234 codes.--

235 (1) Nothing in the financial institutions codes shall be  
 236 construed to prohibit a financial institution having its  
 237 principal place of business outside this state, and not  
 238 operating any branches in this state, from:

239 (a) Contracting in this state with any person to acquire  
 240 from such person a part, or the entire, interest in a loan that  
 241 such person proposes to make, has heretofore made, or hereafter  
 242 makes, together with a like interest in any security instrument  
 243 covering real or personal property in the state proposed to be  
 244 given or hereafter or heretofore given to such person to secure  
 245 or evidence such loan.

246 (b) Entering into mortgage servicing contracts with  
 247 persons authorized to transact business in this state and  
 248 enforcing in this state the obligations heretofore or hereafter  
 249 acquired by it in the transaction of business outside this state  
 250 or in the transaction of any business authorized by this  
 251 section.

252 (c) Acquiring, holding, leasing, mortgaging, contracting  
 253 with respect to, or otherwise protecting, managing, or conveying  
 254 property in this state which has heretofore or may hereafter be  
 255 assigned, transferred, mortgaged, or conveyed to it as security  
 256 for, or in whole or in part in satisfaction of, a loan or loans  
 257 made by it or obligations acquired by it in the transaction of  
 258 any business authorized by this section.

259 (d) Making loans or committing to make loans to any person  
 260 located in this state and soliciting compensating deposit  
 261 balances in connection therewith.

262 (2) No such financial institution shall be deemed to be  
 263 transacting business in this state, or be required to qualify so  
 264 to do, solely by reason of the performance of any of the acts or  
 265 business authorized in this section. ~~This section does not~~  
 266 ~~authorize or permit any such financial institution to maintain~~  
 267 ~~an office within the state.~~

268 Section 11. Section 655.922, Florida Statutes, is amended  
 269 to read:

270 655.922 Banking business by unauthorized persons; use of  
 271 name.--

272 (1) No person other than a financial institution  
 273 authorized to do business in this state pursuant to the  
 274 financial institutions codes of this state or another state or  
 275 federal law shall, in this state, engage in the business of  
 276 soliciting or receiving funds for deposit or of issuing  
 277 certificates of deposit or of paying checks; and no person shall  
 278 establish or maintain a place of business in this state for any  
 279 of the functions, transactions, or purposes mentioned in this  
 280 subsection. Any person who violates the provisions of this  
 281 subsection is guilty of a felony of the third degree, punishable  
 282 as provided in s. 775.082, s. 775.083, or s. 775.084. This  
 283 subsection does not prohibit the issuance or sale by a financial  
 284 institution of traveler's checks, money orders, or other  
 285 instruments for the transmission or payment of money, by or  
 286 through employees or agents of the financial institution off the  
 287 financial institution's premises.

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288 (2) No person other than a financial institution shall, in  
 289 this state:

290 (a) Transact business under any name or title that  
 291 contains the words "bank," "banco," "banque," "banc," "banker,"  
 292 "banking," "trust company," "savings and loan association,"  
 293 "savings bank," or "credit union," or words of similar import,  
 294 in any context or in any manner;

295 (b) Use any name, word, sign, symbol, or device in any  
 296 context or in any manner; or

297 (c) Circulate or use any letterhead, billhead, circular,  
 298 paper, or writing of any kind or otherwise advertise or  
 299 represent in any manner,

300  
 301 which indicates or reasonably implies that the business being  
 302 conducted or advertised is the kind or character of business  
 303 transacted or conducted by a financial institution or which is  
 304 likely to lead any person to believe that such business is that  
 305 of a financial institution; however, the words "bank," "banco,"  
 306 banque," "banc," "banker," "banking," "trust company," "savings  
 307 and loan association," "savings bank," or "credit union," or the  
 308 plural of any thereof, may be used by, and in the corporate or  
 309 other name or title of, any company which is or becomes a  
 310 financial institution holding company pursuant to federal law;  
 311 any subsidiary of any such financial institution holding company  
 312 which includes as a part of its name or title all or any part,  
 313 or abbreviations, of the name or title of the financial  
 314 institution holding company of which it is a subsidiary; any  
 315 trade organization or association, whether or not incorporated,  
 316 functioning for the purpose of promoting the interests of

317 financial institutions or financial institution holding  
 318 companies, the active members of which are financial  
 319 institutions or financial institution holding companies; and any  
 320 international development bank chartered pursuant to part II of  
 321 chapter 663.

322 (3) No person may use the name or logo of any financial  
 323 institution or an affiliate or subsidiary of such institution,  
 324 or use a name similar to that of a financial institution or an  
 325 affiliate or subsidiary of such institution, to market or  
 326 solicit business from a customer or prospective customer if:

327 (a) The solicitation is done without the express written  
 328 consent of the financial institution or its affiliate or  
 329 subsidiary; and

330 (b) A reasonable person would believe that the materials  
 331 originated from, are endorsed by, or are in any way connected  
 332 with the financial institution or its affiliates or  
 333 subsidiaries.

334 (4)(3) Any court, in a proceeding brought by the office,  
 335 by any financial institution the principal place of business of  
 336 which is in this state, or by any other person residing, or  
 337 whose principal place of business is located, in this state and  
 338 whose interests are substantially affected thereby, may enjoin  
 339 any person from violating any of the provisions of this section.  
 340 For the purposes of this subsection, the interests of a trade  
 341 organization or association are deemed to be substantially  
 342 affected if the interests of any of its members are so affected.  
 343 In addition, the office may issue and serve upon any person who  
 344 violates any of the provisions of this section a complaint

345 seeking a cease and desist order in accordance with the  
 346 procedures and in the manner prescribed by s. 655.033.

347 (5)~~(4)~~ Nothing in this section shall be construed to  
 348 prohibit the lawful establishment or the lawful operations of a  
 349 financial institution and nothing in this code shall be  
 350 construed to prohibit any advertisement or other activity in  
 351 this state by any person if such prohibition would contravene  
 352 any applicable federal law which preempts the law of this state.

353 (6) The commission shall develop rules to implement this  
 354 section.

355 Section 12. Subsection (1) of section 655.94, Florida  
 356 Statutes, is amended to read:

357 655.94 Special remedies for nonpayment of rent.--

358 (1) If the rental due on a safe-deposit box has not been  
 359 paid for 3 months, the lessor may send a notice by certified  
 360 ~~registered~~ mail to the last known address of the lessee stating  
 361 that the safe-deposit box will be opened and its contents stored  
 362 at the expense of the lessee unless payment of the rental is  
 363 made within 30 days. If the rental is not paid within 30 days  
 364 from the mailing of the notice, the box may be opened in the  
 365 presence of an officer of the lessor and of a notary public ~~who~~  
 366 ~~is not a director, officer, employee, or stockholder of the~~  
 367 ~~lessor~~. The contents shall be sealed in a package by a notary  
 368 public who shall write on the outside the name of the lessee and  
 369 the date of the opening. The notary public shall execute a  
 370 certificate reciting the name of the lessee, the date of the  
 371 opening of the box, and a list of its contents. The certificate  
 372 shall be included in the package, and a copy of the certificate  
 373 shall be sent by certified ~~registered~~ mail to the last known

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374 address of the lessee. The package shall then be placed in the  
 375 general vaults of the lessor at a rental not exceeding the  
 376 rental previously charged for the box. The lessor has a lien on  
 377 the package and its contents to the extent of any rental due and  
 378 owing plus the actual, reasonable costs of removing the contents  
 379 from the safe-deposit box.

380 Section 13. Section 658.16, Florida Statutes, is amended  
 381 to read:

382 658.16 Creation of banking or trust corporation.--

383 (1) When authorized by the office, as provided herein, a  
 384 corporation may be formed under the laws of this state for the  
 385 purpose of becoming a state bank or a state trust company and  
 386 conducting a general banking or trust business.

387 (2) A bank or trust company that is chartered as a limited  
 388 liability company under the laws of any state is deemed to be  
 389 incorporated under the financial institutions codes if:

390 (a) The institution is not subject to automatic  
 391 termination, dissolution, or suspension upon the occurrence of  
 392 some event, other than the passage of time, including, but not  
 393 limited to, the death, disability, bankruptcy, expulsion, or  
 394 withdrawal of an owner of the institution.

395 (b) The exclusive authority to manage the institution is  
 396 vested in a board of managers or directors that is elected or  
 397 appointed by the owners and that operates in substantially the  
 398 same manner as, and has substantially the same rights, powers,  
 399 privileges, duties, and responsibilities as, a board of  
 400 directors of a bank or trust company chartered as a corporation.

401 (c) Neither the laws of the state of the institution's  
402 organization nor the institution's operating agreement bylaws or  
403 other organizational documents:

404 1. Provide that an owner of the institution is liable for  
405 the debts, liabilities, and obligations of the institution in  
406 excess of the amount of the owner's investment; or

407 2. Require the consent of any other owner of the  
408 institution in order for an owner to transfer an ownership  
409 interest in the institution, including voting rights.

410 (3) For purposes of the financial institutions codes:

411 (a) The terms "stockholder" and "shareholder" include an  
412 owner of any interest in a bank or trust company chartered as a  
413 limited liability company, including a member or participant.

414 (b) The term "director" includes a manager or director of  
415 a bank or trust company chartered as a limited liability  
416 company, or other person who has, with respect to such a bank or  
417 trust company, authority substantially similar to that of a  
418 director of a corporation.

419 (c) The term "officer" includes an officer of a bank or  
420 trust company chartered as a limited liability company, or other  
421 person who has, with respect to such a bank or trust company,  
422 authority substantially similar to that of an officer of a  
423 corporation.

424 (d) The terms "stock," "voting stock," "voting shares,"  
425 and "voting securities" include similar ownership interests in a  
426 bank or trust company chartered as a limited liability company,  
427 as well as any certificates or other evidence of such ownership  
428 interests.

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429       (e) The terms "articles of incorporation" and "bylaws" of  
 430 a bank or trust company chartered as a limited liability company  
 431 mean the institution's articles of organization and operating  
 432 agreement or other such organizational documentation as is  
 433 substantially similar to that of a corporation.

434       (f) The term "par value" when used with respect to any  
 435 ownership interest in a bank or trust company chartered as a  
 436 limited liability company means the amount of capital which must  
 437 be invested for each unit of ownership.

438       (g) The term "dividend" includes distributions of earnings  
 439 to the owners of a bank or trust company chartered as a limited  
 440 liability company.

441       Section 14. Subsection (5) of section 658.23, Florida  
 442 Statutes, is amended to read:

443       658.23 Submission of articles of incorporation; contents;  
 444 form; approval; filing; commencement of corporate existence;  
 445 bylaws.--

446       (5) Unless the articles of incorporation provide  
 447 otherwise, the board of directors shall have authority to adopt  
 448 or amend bylaws that do not conflict with bylaws that may have  
 449 been adopted by the stockholders. The bylaws shall be for the  
 450 governance ~~government~~ of the bank or trust company, subordinate  
 451 only to the articles of incorporation and the laws of the United  
 452 States and of this state. ~~A current copy of the bylaws shall be~~  
 453 ~~filed with the office at all times.~~

454       Section 15. Section 658.26, Florida Statutes, is amended  
 455 to read:

456       658.26 Places of transacting business; branches;  
 457 facilities.--

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458 (1) Any bank or trust company heretofore or hereafter  
459 incorporated pursuant to this chapter shall have one main  
460 office, which shall be located within the state.

461 (2)(a) In addition, with the approval of the office and  
462 upon such conditions as the commission or office prescribes, any  
463 state bank or trust company may establish branches or relocate  
464 offices within or outside the state. With the approval of the  
465 office upon a determination that the resulting bank or trust  
466 company will be of sound financial condition, any bank or trust  
467 company incorporated pursuant to this chapter may establish  
468 branches by merger with any other bank or trust company.

469 (b) As provided by commission rules, a financial  
470 institution operating in a safe and sound manner may establish  
471 or relocate an office by filing a written notice with the office  
472 at least 30 days before opening or relocating that office. In  
473 such case, the financial institution need not file an  
474 application or pay an application fee. The notification shall  
475 specify the name and location of the office and effective date  
476 of the change. The relocation of a main office to a location  
477 outside this state shall be by application only.

478 (c) Applications filed pursuant to this subsection shall  
479 not be published in the Florida Administrative Weekly but shall  
480 otherwise be subject to the provisions of chapter 120.

481 (d)~~(b)~~ An application to establish ~~for~~ a branch by a bank  
482 ineligible that does not meet the requirements for the branch  
483 notification ~~process~~ shall be in writing in such form as the  
484 commission prescribes and be supported by such information,  
485 data, and records as the commission or office may require to  
486 make findings necessary for approval. ~~Applications filed~~

487 ~~pursuant to this subsection shall not be published in the~~  
 488 ~~Florida Administrative Weekly but shall otherwise be subject to~~  
 489 ~~the provisions of chapter 120.~~ Upon the filing of an application  
 490 and a nonrefundable filing fee for the establishment of any  
 491 branch permitted by paragraph (a), the office ~~shall make an~~  
 492 ~~investigation with respect to compliance with the requirements~~  
 493 ~~of paragraph (a) and shall investigate and consider all factors~~  
 494 ~~relevant to such requirements, including~~ the following:

495 1. The sufficiency of capital accounts in relation to the  
 496 deposit liabilities of the bank, or in relation to the number  
 497 and valuation of fiduciary accounts of the trust company,  
 498 including the proposed branch, and the additional fixed assets,  
 499 if any, which are proposed for the branch and its operations,  
 500 without undue risk to the bank or its depositors, or undue risk  
 501 to the trust company or its fiduciary accounts;

502 2. The sufficiency of earnings and earning prospects of  
 503 the bank or trust company to support the anticipated expenses  
 504 and any anticipated operating losses of the branch during its  
 505 formative or initial years;

506 3. The sufficiency and quality of management ~~available to~~  
 507 ~~operate the branch;~~

508 4. The name of the proposed branch to determine if it  
 509 reasonably identifies the branch as a branch of the main office  
 510 and is not likely to unduly confuse the public; and

511 5. Substantial compliance by the applicants with  
 512 applicable law governing their operations.

513 (e)~~(e)~~ As provided by commission rule, a financial  
 514 institution operating in a safe and sound manner may establish a  
 515 branch by filing a written notice with the office at least 30

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516 days before opening that branch. In such case, the financial  
517 institution need not file a branch application or pay a branch  
518 application fee.

519 (f) Upon the filing of a relocation application and  
520 payment of a nonrefundable filing fee, the office shall  
521 investigate to determine substantial compliance by the financial  
522 institution with the applicable laws governing its operations.  
523 Additional investments in land, buildings, leases, and leasehold  
524 improvements resulting from such relocation shall comply with  
525 the limitations imposed by s. 658.67(7)(a). A main office may  
526 not be moved outside this state unless expressly authorized by  
527 the financial institutions codes or by federal law. In addition,  
528 a financial institution in operation for fewer than 24 months  
529 must provide evidence that the criteria of s. 658.21(1) will be  
530 met.

531 ~~(3)(a) An office in this state may be relocated with prior~~  
532 ~~written approval of the office. An application for relocation~~  
533 ~~shall be in writing in such form as the commission prescribes~~  
534 ~~and shall be supported by such information, data, and records as~~  
535 ~~the commission or office may require to make findings necessary~~  
536 ~~for approval.~~

537 (g)(b) A state bank wanting to relocate a branch but  
538 ineligible to do so by notification as provided in this  
539 subsection shall file an application in the form required by the  
540 commission. Applications filed pursuant to this subsection shall  
541 not be published in the Florida Administrative Weekly but shall  
542 otherwise be subject to the provisions of chapter 120. Upon the  
543 filing of a relocation application and a nonrefundable filing  
544 fee, the office shall investigate to determine substantial

545 compliance by the financial institution with applicable law  
 546 governing its operations. Additional investments in land,  
 547 buildings, leases, and leasehold improvements resulting from  
 548 such relocation shall comply with the limitations imposed by s.  
 549 658.67(7)(a). A main office may not be moved outside this state  
 550 unless expressly authorized by the financial institutions codes  
 551 or by federal law.

552 ~~(c) A relocation application filed by a state bank or~~  
 553 ~~trust company that is operating in a safe and sound manner which~~  
 554 ~~is not denied within 10 working days after receipt shall be~~  
 555 ~~deemed approved unless the office notifies the financial~~  
 556 ~~institution in writing that the application was not complete.~~

557 ~~(d) In addition to the application required by paragraph~~  
 558 ~~(a), a financial institution whose main office in this state has~~  
 559 ~~been~~ in operation less than 24 months must provide evidence that  
 560 the criteria of s. 658.21(1) will be met.

561 ~~(h)(e)~~ A branch office may be closed with 30 days' prior  
 562 written notice to the office. The notice shall include any  
 563 information the commission prescribes by rule.

564 ~~(3)(4)~~ With prior written notification to the office, any  
 565 bank may operate facilities which are not physically connected  
 566 to the main or branch office of the bank, provided that the  
 567 facilities are situated on the property of the main or branch  
 568 office or property contiguous thereto. Property which is  
 569 separated from the main or branch office of a bank by only a  
 570 street, and one or more walkways and alleyways are determined to  
 571 be, for purposes of this subsection, contiguous to the property  
 572 of the main or branch office.

573        (4)~~(5)~~ A bank may provide, directly or through a contract  
 574 with another company, off-premises armored car service to its  
 575 customers. Armored car services shall not be considered a branch  
 576 for the purposes of subsection (2).

577        (5)~~(6)~~(a) Any state bank that is a subsidiary of a bank  
 578 holding company may agree to receive deposits, renew time  
 579 deposits, close loans, service loans, and receive payments on  
 580 loans and other obligations, as an agent for an affiliated  
 581 depository institution.

582        (b) The term "close loan" does not include the making of a  
 583 decision to extend credit or the extension of credit.

584        (c) As used in this section, "receive deposits" means the  
 585 taking of deposits to be credited to an existing account and  
 586 does not include the opening or origination of new deposit  
 587 accounts at an affiliated institution by the agent institution.

588        (d) Under this section, affiliated banks may act as agents  
 589 for one another regardless of whether the institutions are  
 590 located in the same or different states. This section applies  
 591 solely to affiliated depository institutions acting as agents,  
 592 and has no application to agency relationships concerning  
 593 nondepositories as agent, whether or not affiliated with the  
 594 depository institution.

595        (e) In addition, under this section, agent banks may  
 596 perform ministerial functions for the principal bank making a  
 597 loan. Ministerial functions include, but are not limited to,  
 598 such activities as providing loan applications, assembling  
 599 documents, providing a location for returning documents  
 600 necessary for making the loan, providing loan account  
 601 information, and receiving payments. It does not include such

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602 loan functions as evaluating applications or disbursing loan  
603 funds.

604 Section 16. Subsection (5) of section 658.33, Florida  
605 Statutes, is amended to read:

606 658.33 Directors, number, qualifications; officers.--

607 (5) The president, the ~~or~~ chief executive officer, and any  
608 other person, regardless of title, who has equivalent rank or  
609 otherwise leads or directs the overall operations of a bank or  
610 trust company must have had at least 1 year of direct experience  
611 as an executive officer, director, or regulator of a financial  
612 institution within the last 3 years. This requirement may be  
613 waived by the office after considering the overall experience  
614 and expertise of the proposed officer and the condition of the  
615 bank or trust company as reflected in the most recent regulatory  
616 report of examination and other data available to the office.

617 Section 17. Section 658.37, Florida Statutes, is amended  
618 to read:

619 658.37 Dividends and surplus.--

620 (1) The directors of any bank or trust company, after  
621 charging off bad debts, depreciation, and other worthless assets  
622 if any, and making provision for reasonably anticipated future  
623 losses on loans and other assets, may quarterly, semiannually,  
624 or annually declare a dividend of so much of the aggregate of  
625 the net profits of that period combined with its retained net  
626 profits of the preceding 2 years as they shall judge expedient,  
627 and, with the approval of the office, any bank or trust company  
628 may declare a dividend from retained net profits which accrued  
629 prior to the preceding 2 years, but each bank or trust company  
630 shall, before the declaration of a dividend on its common stock,

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631 carry 20 percent of its net profits for such preceding period as  
 632 is covered by the dividend to its surplus fund, until the same  
 633 shall at least equal the amount of its common and preferred  
 634 stock then issued and outstanding. No bank or trust company  
 635 shall declare any dividend at any time at which its net income  
 636 from the current year combined with the retained net income from  
 637 the preceding 2 years is a loss or which would cause the capital  
 638 accounts of the bank or trust company to fall below the minimum  
 639 amount required by law, regulation, order, or any written  
 640 agreement with the office or a state or federal regulatory  
 641 agency. A bank or trust company may, however, split up or divide  
 642 the issued shares of capital stock into a greater number of  
 643 shares without increasing or decreasing the capital accounts of  
 644 the bank or trust company, and such shall not be construed to be  
 645 a dividend within the meaning of this section.

646 (2) No bank that has been determined to be imminently  
 647 insolvent shall pay dividends.

648 Section 18. Subsection (10) of section 658.48, Florida  
 649 Statutes, is renumbered as subsection (11), and a new subsection  
 650 (10) is added to said section to read:

651 658.48 Loans.--A state bank may make loans and extensions  
 652 of credit, with or without security, subject to the following  
 653 limitations and provisions:

654 (10) When the office has determined that a state bank is  
 655 imminently insolvent, the state bank may not make any new loans  
 656 or discounts otherwise than by discounting or purchasing bills  
 657 of exchange payable at sight.

658 Section 19. Paragraph (a) of subsection (9) of section  
 659 658.67, Florida Statutes, is amended to read:

660           658.67 Investment powers and limitations.--A bank may  
 661 invest its funds, and a trust company may invest its corporate  
 662 funds, subject to the following definitions, restrictions, and  
 663 limitations:

664           (9) ACQUISITIONS OF PROPERTY AS SECURITY.--A bank or trust  
 665 company may acquire property of any kind to secure, protect, or  
 666 satisfy a loan or investment previously made in good faith, and  
 667 such property shall be entered on the books of the bank or trust  
 668 company and held and disposed of subject to the following  
 669 conditions and limitations:

670           (a) The book entry shall be the lesser of the balance of  
 671 the loan or investment plus acquisition costs and accrued  
 672 interest or the appraisal value or market value of the property  
 673 acquired which shall be determined and dated within 1 year prior  
 674 or 90 days subsequent to the date of acquisition and in  
 675 compliance with s. 655.60.

676           Section 20. Subsection (4) of section 658.73, Florida  
 677 Statutes, is amended to read:

678           658.73 Fees and assessments.--

679           (4) Any individual or entity other than a financial  
 680 institution chartered or licensed in this state ~~Each state bank~~  
 681 ~~and state trust company~~ shall pay to the office \$25 for each  
 682 "certificate of good standing" certifying that a state-chartered  
 683 financial institution is licensed to conduct business in this  
 684 state under the financial institutions codes. All such requests  
 685 shall be in writing. The office shall waive this fee when the  
 686 request is by a state or federal regulatory agency or law  
 687 enforcement agency.

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688 Section 21. Subsections (4) and (7) of section 663.16,  
689 Florida Statutes, are amended to read:

690 663.16 Definitions; ss. 663.17-663.181.--As used in ss.  
691 663.17-663.181, the term:

692 (4) Except where the context otherwise requires,  
693 "international banking corporation" or "corporation" means any  
694 international bank agency or branch operating in this state.

695 (7) "Control" means any person or group of persons acting  
696 in concert, directly or indirectly, owning, controlling, or  
697 holding the power to 25 ~~vote more than 50~~ percent or more of the  
698 voting stock of a company, or having the ability in any manner  
699 to elect a majority of directors of a corporation, or otherwise  
700 exercising a controlling influence over the management and  
701 policies of a corporation as determined by the office.

702 Section 22. Paragraph (b) of subsection (1) of section  
703 663.304, Florida Statutes, is amended to read:

704 663.304 Application for authority to organize an  
705 international development bank.--

706 (1) A written application for authority to organize an  
707 international development bank shall be filed with the office by  
708 the proposed incorporator and shall include:

709 (b) The proposed corporate name ~~and evidence of~~  
710 ~~reservation of the proposed corporate name with the Department~~  
711 ~~of State.~~

712 Section 23. Paragraph (a) of subsection (4) of section  
713 665.034, Florida Statutes, is amended to read:

714 665.034 Acquisition of assets of or control over an  
715 association.--

716 (4) For purposes of this section, a person or group of  
 717 persons shall be deemed to have control of an association if  
 718 such person or group of persons:

719 (a) Directly or indirectly, or acting in concert with one  
 720 or more persons or through one or more subsidiaries, owns,  
 721 controls, holds with powers to vote, or holds proxies  
 722 representing ~~more than~~ 25 percent or more of the voting common  
 723 stock of such association.

724 Section 24. Subsections (2) and (6) of section 674.406,  
 725 Florida Statutes, are amended to read:

726 674.406 Customer's duty to discover and report  
 727 unauthorized signature or alteration.--

728 (2) If the items are not returned to the customer, the  
 729 person retaining the items shall either retain the items or, if  
 730 the items are destroyed, maintain the capacity to furnish  
 731 legible copies of the items until the expiration of 5 7 years  
 732 after receipt of the items. A customer may request an item from  
 733 the bank that paid the item, and that bank must provide in a  
 734 reasonable time either the item or, if the item has been  
 735 destroyed or is not otherwise obtainable, a legible copy of the  
 736 item.

737 (6) Without regard to care or lack of care of either the  
 738 customer or the bank, a customer who does not within 180 days ~~±~~  
 739 ~~year~~ after the statement or items are made available to the  
 740 customer (subsection (1)) discover and report the customer's  
 741 unauthorized signature on or any alteration on the item or who  
 742 does not within 1 year from that time discover and report any  
 743 unauthorized endorsement is precluded from asserting against the  
 744 bank the unauthorized signature or alteration. If there is a

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745 preclusion under this subsection, the payor bank may not recover  
 746 for breach of warranty under s. 674.2081 with respect to the  
 747 unauthorized signature or alteration to which the preclusion  
 748 applies.

749 Section 25. Paragraph (a) of subsection (2) of section  
 750 655.948, Florida Statutes, is amended to read:

751 655.948 Significant events; notice required.--

752 (2) Events for which disclosure forms must be filed and  
 753 the filing schedule for each are as follows:

754 (a) To be disclosed within 30 days of the occurrence of  
 755 the event:

756 1. The addition, resignation, or termination of a  
 757 director, executive officer, independent internal auditor, or  
 758 independent credit review officer;

759 2. The acquisition or divestiture of an asset or assets  
 760 the value of which exceeds 20 percent of capital as of the date  
 761 of the most recent call report. Any assets listed in s.  
 762 657.042(1) or s. 658.67(1) are excluded from such disclosure  
 763 requirements;

764 3. Any change in general counsel or outside auditors who  
 765 are used to certify financial statements;

766 4. Any interruption of fidelity insurance coverage;

767 5. Any credit extension to an executive officer and his or  
 768 her related interests that, when aggregated with the amount of  
 769 all other extensions of credit to that executive officer and his  
 770 or her related interests, exceeds 15 percent of the capital  
 771 accounts of the financial institution;

772 ~~6. The failure to meet the minimum daily liquidity~~  
 773 ~~required of s. 658.68;~~

774        6.7. Any suspected criminal act perpetrated against a  
 775 financial institution, subsidiary, or service corporation.  
 776 However, no liability shall be incurred by any financial  
 777 institution, subsidiary, service corporation, or financial  
 778 institution-affiliated party as a result of making a good faith  
 779 effort to fulfill this disclosure requirement; or

780        7.8. The acquisition or divestiture of a wholly owned or  
 781 majority owned subsidiary or service corporation.

782        Section 26. Subsection (2) of section 658.60, Florida  
 783 Statutes, is amended to read:

784        658.60 Depositories of public moneys and pledge of  
 785 assets.--

786        (2) Notwithstanding any other provision of this section or  
 787 the provisions of any other law requiring security for deposits  
 788 of funds in the form of surety bond, in the form of the deposit  
 789 or pledge of securities, or in any other form, security for such  
 790 deposits shall not be required to the extent that such deposits  
 791 are insured under the provisions of the Federal Deposit  
 792 Insurance Act, as now or hereafter amended. Recognition is  
 793 accorded to the custom and usage, and its practicality, of the  
 794 deposit or pledge of securities by banks, as security for  
 795 deposits, in an aggregate amount which, because of the  
 796 fluctuation from time to time of the aggregate amount of the  
 797 deposits secured thereby, may at times be in an amount in excess  
 798 of the required amount of such security without withdrawing and  
 799 redepositing securities with each decrease and increase of the  
 800 aggregate amount of deposits secured thereby. In order to  
 801 effectuate the provisions of the first sentence of this  
 802 subsection, ~~and in recognition of the availability of such~~

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803 ~~excess securities for inclusion in the liquidity of state banks~~  
 804 ~~as provided in s. 658.68,~~ whenever the amount of securities  
 805 deposited or pledged exceeds the amount required for the  
 806 deposits secured thereby, securities in an amount equal to such  
 807 excess shall, for all purposes and laws, while such excess  
 808 exists be, and be treated as, freed and discharged from such  
 809 deposit and pledge even though not physically withdrawn or  
 810 removed from such deposit or pledge, ~~and, in determining the~~  
 811 ~~securities which are so freed and discharged, those securities~~  
 812 ~~which are eligible for inclusion in a state bank's liquidity as~~  
 813 ~~provided in s. 658.68 shall first be included in such~~  
 814 ~~determination.~~ However, such excess securities which are not  
 815 physically withdrawn or removed from deposit or from the pledge  
 816 thereof shall immediately and automatically, for all purposes  
 817 and laws, be, and be treated as, redeposited and repledged at  
 818 such time or times as, and to the extent that, there is an  
 819 increase in the amount of security required for funds deposited  
 820 with the bank, and, in determining the securities which are so  
 821 automatically and immediately redeposited and repledged, there  
 822 shall first be included those securities which are not eligible  
 823 for the aforesaid liquidity under s. 658.68.

824 Section 27. Subsection (1) of section 663.02, Florida  
 825 Statutes, is amended to read:

826 663.02 Applicability of state banking laws.--

827 (1) International banking corporations having offices in  
 828 this state shall be subject to all the provisions of the  
 829 financial institutions codes and chapter 655 as though such  
 830 international banking corporations were state banks, except  
 831 where it may appear, from the context or otherwise, that such

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832 provisions are clearly applicable only to banks or trust  
 833 companies organized under the laws of this state or the United  
 834 States. Without limiting the foregoing general provisions, it is  
 835 the intent of the Legislature that the following provisions  
 836 shall be applicable to such banks or corporations: s. 655.031,  
 837 relating to administrative enforcement guidelines; s. 655.032,  
 838 relating to investigations, subpoenas, hearings, and witnesses;  
 839 s. 655.0321, relating to hearings, proceedings, and related  
 840 documents and restricted access thereto; s. 655.033, relating to  
 841 cease and desist orders; s. 655.037, relating to removal by the  
 842 office of an officer, director, committee member, employee, or  
 843 other person; s. 655.041, relating to administrative fines and  
 844 enforcement; and s. 658.49, relating to loans by banks not  
 845 exceeding \$50,000. International banking corporations shall not  
 846 have the powers conferred on domestic banks by the provisions of  
 847 s. 658.60, relating to deposits of public funds. ~~International~~  
 848 ~~banking corporations shall not be subject to the provisions of~~  
 849 ~~s. 658.68, relating to liquidity.~~ The provisions of chapter 687,  
 850 relating to interest and usury, shall apply to all loans not  
 851 subject to s. 658.49.

852 Section 28. Subsection (3) of section 663.318, Florida  
 853 Statutes, is amended to read:

854 663.318 Reserve requirements.--

855 (3) The amounts of liquidity reserves of an international  
 856 development bank organized under chapter 607 as a corporation  
 857 for profit shall be subject to the provisions of s. 658.68,  
 858 relating to liquidity reserves, in the same manner and to the  
 859 same extent as a state bank, except that the amounts of such  
 860 reserves required to be maintained by an international

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861 ~~development bank shall be~~ those specified in Regulation D of the  
862 Board of Governors of the Federal Reserve System.

863 Section 29. Section 658.68, Florida Statutes, is repealed.

864 Section 30. This act shall take effect upon becoming a  
865 law.