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LEGISLATIVE ACTION

Senate

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House

The Committee on Banking and Insurance (Smith) recommended the following:

Senate Amendment (with title amendment)

Delete lines 72 - 132
and insert:

(2) Effective January 1 of each calendar year, a qualified public depository may elect to become an electing public depository. An electing public depository is not subject to the cross-guaranty pool requirements of a participating public depository, and any security agreement, guarantee, or other agreement with the Chief Financial Officer to the contrary shall be suspended while the qualified public depositor is an electing public depository.



814524

13 (3) The election shall be made by:

14 (a) Giving written notice to the Chief Financial Officer
15 that the depository desires to be classified as an electing
16 public depository. Such notice shall be given after September
17 30, and on or before November 1 of the year preceding the
18 January 1 effective date.

19 (b) Complying with the collateral requirements of s. 280.04
20 for an electing public depository.

21 (4) A qualified public depository that makes the election
22 shall be treated as a participating public depository at any
23 time it is not in compliance with the collateral requirements of
24 s. 280.04 applicable to an electing public depository. An
25 election otherwise remains in effect until terminated.

26 (5) Effective January 1 of each calendar year, an electing
27 public depository may terminate its election and reenter the
28 cross-guaranty pool by written notice to the Chief Financial
29 Officer on or before November 1 of the preceding year that the
30 electing public depository desires to terminate the election.
31 The Chief Financial Officer may deny revocation of the election
32 and reentry into the cross-guaranty pool after considering the
33 electing public depository's level of capitalization, credit
34 rating, or other bank-health related factors. Upon revocation of
35 the election, the Chief Financial Officer shall release any
36 excess collateral applicable to the electing public depository's
37 status.

38 Section 4. Subsections (3) and (4) of section 280.08,
39 Florida Statutes, are amended, present subsections (5), (6), and
40 (7) of that section are renumbered as subsections (6), (7), and
41 (8), respectively, and a new subsection (5) is added to that



814524

42 section, to read:

43 280.08 Procedure for payment of losses.—When the Chief
44 Financial Officer determines that a default or insolvency has
45 occurred, he or she shall provide notice as required in s.
46 280.085 and implement the following procedures:

47 (3) (a) The loss to public depositors shall be satisfied,
48 insofar as possible, first through any applicable deposit
49 insurance and then through demanding payment under letters of
50 credit or the sale of collateral pledged or deposited by the
51 defaulting depository. The Chief Financial Officer may assess
52 participating ~~qualified~~ public depositories as provided in
53 paragraph (b) for the total loss of other participating public
54 depositories if the demand for payment or sale of collateral
55 cannot be accomplished within 7 business days.

56 (b) The Chief Financial Officer shall provide coverage of
57 any remaining loss on public deposit accounts held by a
58 participating public depository by assessment against the other
59 participating ~~qualified~~ public depositories. The Chief Financial
60 Officer shall determine such assessment for each participating
61 ~~qualified~~ public depository by multiplying the total amount of
62 any remaining loss to all public depositors on public deposit
63 accounts held by a participating public depository by a
64 percentage which represents the average monthly balance of
65 public deposits held by each participating ~~qualified~~ public
66 depository during the previous 12 months divided by the total
67 average monthly balances of public deposits held by all
68 participating ~~qualified~~ public depositories, excluding the
69 defaulting depository, during the same period. The assessment
70 calculation shall be computed to six decimal places.



814524

71 (4) Each participating ~~qualified~~ public depository shall
72 pay its assessment to the Chief Financial Officer within 7
73 business days after it receives notice of the assessment. If a
74 depository fails to pay its assessment when due, the Chief
75 Financial Officer shall satisfy the assessment by demanding
76 payment under letters of credit or selling collateral pledged or
77 deposited by that depository.

78 (5) An assessment may not be made against an electing
79 public depository on account of any losses on public deposit
80 accounts held by any other qualified public depository, and an
81 assessment may not be made against any participating public
82 depository for losses on public deposit accounts held by
83 electing public depositories.

84
85 ===== T I T L E A M E N D M E N T =====

86 And the title is amended as follows:

87 Delete lines 11 - 26

88 and insert:

89 secured; amending s. 280.07, F.S.; authorizing a
90 qualified public depository to elect to become an
91 electing public depository; providing that an electing
92 public depository is not subject to the cross-guaranty
93 pool requirements of a participating public
94 depository; providing requirements of the election;
95 providing that a qualified public depository that
96 makes the election shall be treated as a participating
97 public depository at any time it is not in compliance
98 with the collateral requirements of s. 280.04, F.S.;

99 authorizing an electing public depository to terminate



814524

100 its election and reenter the cross-guaranty pool by
101 written notice to the Chief Financial Officer by a
102 specified date; authorizing the Chief Financial
103 Officer to deny revocation of the election and reentry
104 into the cross-guaranty pool; requiring the Chief
105 Financial Officer to release any excess collateral
106 applicable to the electing public depository's status
107 upon revocation of the election; amending s. 280.08,
108 F.S.; conforming provisions to changes made by the
109 act; providing that an assessment may not be made
110 against an electing public depository on account of
111 any losses on public deposit accounts held by any
112 other qualified public depository; providing that an
113 assessment may not be made against any participating
114 public depository for losses on public deposit
115 accounts held by electing public depositories;
116 providing an