

1 A bill to be entitled
 2 An act relating to public depositories; amending s.
 3 280.02, F.S.; revising definitions applicable to the
 4 Florida Security for Public Deposits Act; amending ss.
 5 280.052, 280.053, 280.07, 280.10, and 280.13, F.S.;
 6 conforming terminology to changes made by the act;
 7 amending s. 280.16, F.S.; revising credit union reporting
 8 requirements; amending s. 280.17, F.S.; revising evidence
 9 of insurance required to be submitted by a public
 10 depositor to the Chief Financial Officer; providing an
 11 effective date.

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 13 Be It Enacted by the Legislature of the State of Florida:

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 15 Section 1. Subsections (6), (9), (23), and (26) of section
 16 280.02, Florida Statutes, are amended to read:

17 280.02 Definitions.—As used in this chapter, the term:

18 (6) "Capital account" means total equity capital, as
 19 defined on the balance-sheet portion of the Consolidated Reports
 20 of Condition and Income (call report), the National Credit Union
 21 Administration 5300 Call Report, or the Thrift Financial Report,
 22 less intangible assets, as submitted to the regulatory financial
 23 ~~banking~~ authority.

24 (9) "Custodian" means the Chief Financial Officer or any
 25 financial institution ~~bank, savings association, or trust~~
 26 ~~company~~ that:

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

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

31 (c) Agrees to be subject to the jurisdiction of the courts
 32 of this state, or of courts of the United States which are
 33 located within this state, for the purpose of any litigation
 34 arising out of this chapter; and

35 (d) Has been approved by the Chief Financial Officer to
 36 act as a custodian.

37 (23) "Public deposit" means the moneys of the state or of
 38 any state university, county, school district, community college
 39 district, special district, metropolitan government, or
 40 municipality, including agencies, boards, bureaus, commissions,
 41 and institutions of any of the foregoing, or of any court, and
 42 includes the moneys of all county officers, including
 43 constitutional officers, that are placed on deposit in a
 44 financial institution ~~bank, savings bank, or savings association~~
 45 and for which the financial institution ~~bank, savings bank, or~~
 46 ~~savings association~~ is required to maintain reserves. This
 47 includes, but is not limited to, time deposit accounts, demand
 48 deposit accounts, and nonnegotiable certificates of deposit.
 49 Moneys in deposit notes and in other nondeposit accounts such as
 50 repurchase or reverse repurchase operations are not public
 51 deposits. Securities, mutual funds, and similar types of
 52 investments are not considered public deposits and shall not be
 53 subject to the provisions of this chapter.

54 (26) "Qualified public depository" means any financial
 55 institution ~~bank, savings bank, or savings association~~ that:

56 (a) Is organized and exists under the laws of the United

57 States, the laws of this state, or the laws of any other state
 58 or territory of the United States.

59 (b) Has its principal place of business in this state or
 60 has a branch office in this state which is authorized under the
 61 laws of this state or of the United States to receive deposits
 62 in this state.

63 (c) Is insured by the Federal Deposit Insurance
 64 Corporation or the National Credit Union Share Insurance Fund
 65 ~~Has deposit insurance under the provision of the Federal Deposit~~
 66 ~~Insurance Act, as amended, 12 U.S.C. ss. 1811 et seq.~~

67 (d) Has procedures and practices for accurate
 68 identification, classification, reporting, and collateralization
 69 of public deposits.

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

71 (f) Has been designated by the Chief Financial Officer as
 72 a qualified public depository.

73 Section 2. Subsection (1) of section 280.052, Florida
 74 Statutes, is amended to read:

75 280.052 Order of suspension or disqualification;
 76 procedure.—

77 (1) The suspension or disqualification of a financial
 78 institution ~~bank or savings association~~ as a qualified public
 79 depository must be by order of the Chief Financial Officer and
 80 must be mailed to the qualified public depository by registered
 81 or certified mail.

82 Section 3. Paragraph (c) of subsection (1) and paragraph
 83 (c) of subsection (2) of section 280.053, Florida Statutes, are
 84 amended to read:

85 280.053 Period of suspension or disqualification;
86 obligations during period; reinstatement.—

87 (1)

88 (c) Upon expiration of the suspension period, the
89 financial institution ~~bank or savings association~~ may, by order
90 of the Chief Financial Officer, be reinstated as a qualified
91 public depository, unless the cause of the suspension has not
92 been corrected or the financial institution ~~bank or savings~~
93 ~~association~~ is otherwise not in compliance with this chapter or
94 any rule adopted pursuant to this chapter.

95 (2)

96 (c) Upon expiration of the disqualification period, the
97 financial institution ~~bank or savings association~~ may reapply
98 for qualification as a qualified public depository. If a
99 disqualified financial institution ~~bank or savings association~~
100 is purchased or otherwise acquired by new owners, it may reapply
101 to the Chief Financial Officer to be a qualified public
102 depository prior to the expiration date of the disqualification
103 period. Redesignation as a qualified public depository may occur
104 only after the Chief Financial Officer has determined that all
105 requirements for holding public deposits under the law have been
106 met.

107 Section 4. Section 280.07, Florida Statutes, is amended to
108 read:

109 280.07 Mutual responsibility and contingent liability.—Any
110 financial institution ~~bank or savings association~~ that is
111 designated as a qualified public depository and that is not
112 insolvent shall guarantee public depositors against loss caused

113 by the default or insolvency of other qualified public
 114 depositories. Each qualified public depository shall execute a
 115 form prescribed by the Chief Financial Officer for such
 116 guarantee which shall be approved by the board of directors and
 117 shall become an official record of the institution.

118 Section 5. Subsection (1) of section 280.10, Florida
 119 Statutes, is amended to read:

120 280.10 Effect of merger, acquisition, or consolidation;
 121 change of name or address.—

122 (1) When a qualified public depository is merged into,
 123 acquired by, or consolidated with a financial institution bank,
 124 ~~savings bank, or savings association~~ that is not a qualified
 125 public depository:

126 (a) The resulting institution shall automatically become a
 127 qualified public depository subject to the requirements of the
 128 public deposits program.

129 (b) The contingent liability of the former institution
 130 shall be a liability of the resulting institution.

131 (c) The public deposits and associated collateral of the
 132 former institution shall be public deposits and collateral of
 133 the resulting institution.

134 (d) The resulting institution shall, within 90 calendar
 135 days after the effective date of the merger, acquisition, or
 136 consolidation, deliver to the Chief Financial Officer:

137 1. Documentation in its name as required for participation
 138 in the public deposits program; or

139 2. Written notice of intent to withdraw from the program
 140 as provided in s. 280.11 and a proposed effective date of

141 withdrawal which shall be within 180 days after the effective
 142 date of the acquisition, merger, or consolidation of the former
 143 institution.

144 (e) If the resulting institution does not meet
 145 qualifications to become a qualified public depository or does
 146 not submit required documentation within 90 calendar days after
 147 the effective date of the merger, acquisition, or consolidation,
 148 the Chief Financial Officer shall initiate mandatory withdrawal
 149 actions as provided in s. 280.11 and shall set an effective date
 150 of withdrawal that is within 180 days after the effective date
 151 of the acquisition, merger, or consolidation of the former
 152 institution.

153 Section 6. Subsection (1) of section 280.13, Florida
 154 Statutes, is amended to read:

155 280.13 Eligible collateral.—

156 (1) Securities eligible to be pledged as collateral by
 157 qualified public depositories ~~banks and savings associations~~
 158 shall be limited to:

159 (a) Direct obligations of the United States Government.

160 (b) Obligations of any federal agency that are fully
 161 guaranteed as to payment of principal and interest by the United
 162 States Government.

163 (c) Obligations of the following federal agencies:

- 164 1. Farm credit banks.
- 165 2. Federal land banks.
- 166 3. The Federal Home Loan Bank and its district banks.
- 167 4. Federal intermediate credit banks.
- 168 5. The Federal Home Loan Mortgage Corporation.

169 6. The Federal National Mortgage Association.

170 7. Obligations guaranteed by the Government National
171 Mortgage Association.

172 (d) General obligations of a state of the United States,
173 or of Puerto Rico, or of a political subdivision or municipality
174 thereof.

175 (e) Obligations issued by the Florida State Board of
176 Education under authority of the State Constitution or
177 applicable statutes.

178 (f) Tax anticipation certificates or warrants of counties
179 or municipalities having maturities not exceeding 1 year.

180 (g) Public housing authority obligations.

181 (h) Revenue bonds or certificates of a state of the United
182 States or of a political subdivision or municipality thereof.

183 (i) Corporate bonds of any corporation that is not an
184 affiliate or subsidiary of the qualified public depository.

185 Section 7. Paragraph (e) of subsection (1) of section
186 280.16, Florida Statutes, is amended to read:

187 280.16 Requirements of qualified public depositories;
188 confidentiality.—

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

191 (e) Submit to the Chief Financial Officer not later than
192 the date required to be filed with the federal agency:

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

197 2. A copy of the Thrift Financial Report, and any amended
 198 reports, required to be filed with the Office of Thrift
 199 Supervision if such depository is a savings and loan
 200 association; or

201 3. A copy of the National Credit Union Administration 5300
 202 Call Report, and any amended reports, required to be filed with
 203 the National Credit Union Association if such depository is a
 204 credit union.

205 Section 8. Paragraph (b) of subsection (4) of section
 206 280.17, Florida Statutes, is amended to read:

207 280.17 Requirements for public depositors; notice to
 208 public depositors and governmental units; loss of protection.—In
 209 addition to any other requirement specified in this chapter,
 210 public depositors shall comply with the following:

211 (4) Whenever public deposits are in a qualified public
 212 depository that has been declared to be in default or insolvent,
 213 each public depositor shall:

214 (b) Submit to the Chief Financial Officer for each public
 215 deposit, within 30 days after the date of official notification
 216 from the Chief Financial Officer, the following:

217 1. A claim form and agreement, as prescribed by the Chief
 218 Financial Officer, executed under oath, accompanied by proof of
 219 authority to execute the form on behalf of the public depositor.

220 2. A completed public deposit identification and
 221 acknowledgment form, as described in subsection (2).

222 3. Evidence of the insurance afforded the deposit pursuant
 223 to the Federal Deposit Insurance Act or the Federal Credit Union
 224 Act, as appropriate.

CS/HB 999

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Section 9. This act shall take effect July 1, 2011.