

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.
 5 280.03, 280.052, 280.053, 280.07, 280.10, and 280.13,
 6 F.S.; conforming terminology to changes made by the
 7 act; amending s. 280.16, F.S.; revising credit union
 8 reporting requirements; amending s. 280.17, F.S.;
 9 revising evidence of insurance required to be
 10 submitted by a public depositor to the Chief Financial
 11 Officer; providing an effective date.

12
 13 Be It Enacted by the Legislature of the State of Florida:

14
 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. Paragraph (a) of subsection (3) of section
 74 280.03, Florida Statutes, is amended to read:

75 280.03 Public deposits to be secured; prohibitions;
 76 exemptions.—

77 (3) The following are exempt from the requirements of, and
 78 protection under, this chapter:

79 (a) Public deposits deposited in a financial institution
 80 ~~bank or savings association~~ by a trust department or trust
 81 company which are fully secured under trust business laws.

82 Section 3. Subsection (1) of section 280.052, Florida
 83 Statutes, is amended to read:

84 280.052 Order of suspension or disqualification;

85 procedure.—

86 (1) The suspension or disqualification of a financial
 87 institution ~~bank or savings association~~ as a qualified public
 88 depository must be by order of the Chief Financial Officer and
 89 must be mailed to the qualified public depository by registered
 90 or certified mail.

91 Section 4. Paragraph (c) of subsection (1) and paragraph
 92 (c) of subsection (2) of section 280.053, Florida Statutes, are
 93 amended to read:

94 280.053 Period of suspension or disqualification;
 95 obligations during period; reinstatement.—

96 (1)

97 (c) Upon expiration of the suspension period, the
 98 financial institution ~~bank or savings association~~ may, by order
 99 of the Chief Financial Officer, be reinstated as a qualified
 100 public depository, unless the cause of the suspension has not
 101 been corrected or the financial institution ~~bank or savings~~
 102 ~~association~~ is otherwise not in compliance with this chapter or
 103 any rule adopted pursuant to this chapter.

104 (2)

105 (c) Upon expiration of the disqualification period, the
 106 financial institution ~~bank or savings association~~ may reapply
 107 for qualification as a qualified public depository. If a
 108 disqualified financial institution ~~bank or savings association~~
 109 is purchased or otherwise acquired by new owners, it may reapply
 110 to the Chief Financial Officer to be a qualified public
 111 depository prior to the expiration date of the disqualification
 112 period. Redesignation as a qualified public depository may occur

HB 669

2012

113 only after the Chief Financial Officer has determined that all
114 requirements for holding public deposits under the law have been
115 met.

116 Section 5. Section 280.07, Florida Statutes, is amended to
117 read:

118 280.07 Mutual responsibility and contingent liability.—Any
119 financial institution ~~bank or savings association~~ that is
120 designated as a qualified public depository and that is not
121 insolvent shall guarantee public depositors against loss caused
122 by the default or insolvency of other qualified public
123 depositories. Each qualified public depository shall execute a
124 form prescribed by the Chief Financial Officer for such
125 guarantee which shall be approved by the board of directors and
126 shall become an official record of the institution.

127 Section 6. Subsection (1) of section 280.10, Florida
128 Statutes, is amended to read:

129 280.10 Effect of merger, acquisition, or consolidation;
130 change of name or address.—

131 (1) When a qualified public depository is merged into,
132 acquired by, or consolidated with a financial institution ~~bank,~~
133 ~~savings bank, or savings association~~ that is not a qualified
134 public depository:

135 (a) The resulting institution shall automatically become a
136 qualified public depository subject to the requirements of the
137 public deposits program.

138 (b) The contingent liability of the former institution
139 shall be a liability of the resulting institution.

140 (c) The public deposits and associated collateral of the

141 former institution shall be public deposits and collateral of
 142 the resulting institution.

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

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

148 2. Written notice of intent to withdraw from the program
 149 as provided in s. 280.11 and a proposed effective date of
 150 withdrawal which shall be within 180 days after the effective
 151 date of the acquisition, merger, or consolidation of the former
 152 institution.

153 (e) If the resulting institution does not meet
 154 qualifications to become a qualified public depository or does
 155 not submit required documentation within 90 calendar days after
 156 the effective date of the merger, acquisition, or consolidation,
 157 the Chief Financial Officer shall initiate mandatory withdrawal
 158 actions as provided in s. 280.11 and shall set an effective date
 159 of withdrawal that is within 180 days after the effective date
 160 of the acquisition, merger, or consolidation of the former
 161 institution.

162 Section 7. Subsection (1) of section 280.13, Florida
 163 Statutes, is amended to read:

164 280.13 Eligible collateral.—

165 (1) Securities eligible to be pledged as collateral by
 166 qualified public depositories ~~banks and savings associations~~
 167 shall be limited to:

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

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

172 (c) Obligations of the following federal agencies:

- 173 1. Farm credit banks.
- 174 2. Federal land banks.
- 175 3. The Federal Home Loan Bank and its district banks.
- 176 4. Federal intermediate credit banks.
- 177 5. The Federal Home Loan Mortgage Corporation.
- 178 6. The Federal National Mortgage Association.
- 179 7. Obligations guaranteed by the Government National
 180 Mortgage Association.

181 (d) General obligations of a state of the United States,
 182 or of Puerto Rico, or of a political subdivision or municipality
 183 thereof.

184 (e) Obligations issued by the Florida State Board of
 185 Education under authority of the State Constitution or
 186 applicable statutes.

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

189 (g) Public housing authority obligations.

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

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

194 Section 8. Paragraph (e) of subsection (1) of section
 195 280.16, Florida Statutes, is amended to read:

196 280.16 Requirements of qualified public depositories;

197 confidentiality.-

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

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

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

206 2. A copy of the Thrift Financial Report, and any amended
 207 reports, required to be filed with the Office of Thrift
 208 Supervision if such depository is a savings and loan
 209 association; or

210 3. A copy of the National Credit Union Administration 5300
 211 Call Report, and any amended reports, required to be filed with
 212 the National Credit Union Association if such depository is a
 213 credit union.

214 Section 9. Paragraph (b) of subsection (4) of section
 215 280.17, Florida Statutes, is amended to read:

216 280.17 Requirements for public depositors; notice to
 217 public depositors and governmental units; loss of protection.-In
 218 addition to any other requirement specified in this chapter,
 219 public depositors shall comply with the following:

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

223 (b) Submit to the Chief Financial Officer for each public
 224 deposit, within 30 days after the date of official notification

HB 669

2012

225 from the Chief Financial Officer, the following:

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

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

231 3. Evidence of the insurance afforded the deposit pursuant
232 to the Federal Deposit Insurance Act or the Federal Credit Union
233 Act, as appropriate.

234 Section 10. This act shall take effect July 1, 2012.