

By the Committee on Banking and Insurance; and Senator Thurston

597-02155-18

2018416c1

1 A bill to be entitled
2 An act relating to governance of banks and trust
3 companies; amending s. 658.21, F.S.; revising
4 requirements relating to the financial institution
5 experience of certain proposed directors and officers
6 of a proposed bank or trust company; amending s.
7 658.33, F.S.; revising the residency requirement for
8 certain directors of a bank or trust company; revising
9 requirements relating to the financial institution
10 experience of certain officers of a bank or trust
11 company; amending s. 658.67, F.S.; revising instances
12 during which a bank may not own certain stock,
13 obligations, and other securities; providing an
14 effective date.

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Subsection (4) of section 658.21, Florida
19 Statutes, is amended to read:

20 658.21 Approval of application; findings required.—The
21 office shall approve the application if it finds that:

22 (4) The proposed officers have sufficient financial
23 institution experience, ability, standing, and reputation and
24 the proposed directors have sufficient business experience,
25 ability, standing, and reputation to indicate reasonable promise
26 of successful operation, and none of the proposed officers or
27 directors has been convicted of, or pled guilty or nolo
28 contendere to, any violation of s. 655.50, relating to the
29 control of money laundering and terrorist financing; chapter

597-02155-18

2018416c1

30 896, relating to offenses related to financial institutions; or
31 similar state or federal law. At least two of the proposed
32 directors who are not also proposed officers must have had at
33 least 1 year of direct experience as an executive officer,
34 regulator, or director of a financial institution within the 5 ~~3~~
35 years before the date of the application. However, if the
36 applicant demonstrates that at least one of the proposed
37 directors has very substantial experience as an executive
38 officer, director, or regulator of a financial institution more
39 than 5 ~~3~~ years before the date of the application, the office
40 may modify the requirement and allow the applicant to have only
41 one director who has ~~to have~~ direct financial institution
42 experience within the last 5 ~~3~~ years. The proposed president or
43 chief executive officer must have had at least 1 year of direct
44 experience as an executive officer, director, or regulator of a
45 financial institution within the last 5 ~~3~~ years.

46 Section 2. Subsections (2) and (5) of section 658.33,
47 Florida Statutes, are amended to read:

48 658.33 Directors, number, qualifications; officers.—

49 (2) Not less than a majority of the directors must, during
50 their whole term of service, be citizens of the United States,
51 and at least a majority ~~three-fifths~~ of the directors must have
52 resided in this state for at least 1 year preceding their
53 election and must be residents therein during their continuance
54 in office. In the case of a bank or trust company with total
55 assets of less than \$150 million, at least one, and in the case
56 of a bank or trust company with total assets of \$150 million or
57 more, two of the directors who are not also officers of the bank
58 or trust company must have had at least 1 year of direct

597-02155-18

2018416c1

59 experience as an executive officer, regulator, or director of a
60 financial institution within the last 5 ~~3~~ years.

61 (5) The president, chief executive officer, or any other
62 person, regardless of title, who has equivalent rank or leads
63 the overall operations of a bank or trust company must have had
64 at least 1 year of direct experience as an executive officer,
65 director, or regulator of a financial institution within the
66 last 5 ~~3~~ years. This requirement may be waived by the office
67 after considering the overall experience and expertise of the
68 proposed officer and the condition of the bank or trust company,
69 as reflected in the most recent regulatory examination report
70 and other available data.

71 Section 3. Subsection (6) of section 658.67, Florida
72 Statutes, is amended to read:

73 658.67 Investment powers and limitations.—A bank may invest
74 its funds, and a trust company may invest its corporate funds,
75 subject to the following definitions, restrictions, and
76 limitations:

77 (6) INVESTMENTS IN CORPORATIONS AND OTHER ENTITIES.—~~Except~~
78 as limited or prohibited by federal law, Up to an aggregate of
79 10 percent of the total assets of a bank may invest ~~be invested~~
80 in the stock, obligations, and ~~or~~ other securities of subsidiary
81 corporations and affiliates. The aggregate of such investments
82 may not exceed 10 percent of the total assets of the bank. ~~or~~
83 ~~other corporations or entities, except as limited or prohibited~~
84 ~~by federal law, and except that~~ During the first 3 years of
85 existence of a bank, such investments are limited to 5 percent
86 of the total assets of the bank. The commission by rule, or the
87 office by order, may further limit any type of investment made

597-02155-18

2018416c1

88 pursuant to this subsection if it finds that such investment
89 would constitute an unsafe or unsound practice.

90 Section 4. This act shall take effect July 1, 2018.