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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/30/2021	.	
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The Committee on Judiciary (Gruters) recommended the following:

1           **Senate Substitute for Amendment (786308) (with title**  
2 **amendment)**

3  
4           Delete lines 192 - 524  
5 and insert:  
6 federal agency conducting the examination or upon the office  
7 conducting the examination instead.

8           (4) A copy of the report of each examination must be  
9 furnished to the financial institution ~~entity~~ examined and  
10 presented to the board of directors at its next regular or  
11 special meeting. Each director shall review the report and



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12 acknowledge receipt of the report and such review by signing and  
13 dating the prescribed signature page of the report and returning  
14 a copy of the signed page to the office.

15 Section 6. Section 655.414, Florida Statutes, is amended to  
16 read:

17 655.414 Acquisition of assets; assumption of liabilities.—  
18 With prior approval of the office and upon such conditions as  
19 the commission prescribes by rule, a financial institution  
20 entity may acquire 50 percent or more ~~all or substantially all~~  
21 of the assets or liabilities of, or a combination of assets and  
22 liabilities of, or assume all or any part of the liabilities of,  
23 any other financial institution in accordance with the  
24 procedures and subject to the following conditions and  
25 limitations:

26 (1) CALCULATION OF ASSET OR LIABILITY PERCENTAGES.—  
27 Percentages of assets or liabilities must be calculated based on  
28 the most recent quarterly reporting date.

29 (2) ADOPTION OF A PLAN.—The board of directors of the  
30 acquiring or assuming financial entity and the board of  
31 directors of the transferring financial institution must adopt,  
32 by a majority vote, a plan for such acquisition, assumption, or  
33 sale on terms that are mutually agreed upon. The plan must  
34 include:

35 (a) The names and types of financial institutions involved.

36 (b) A statement setting forth the material terms of the  
37 proposed acquisition, assumption, or sale, including the plan  
38 for disposition of all assets and liabilities not subject to the  
39 plan.

40 (c) A provision for liquidation, if applicable, of the



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41 transferring financial institution upon execution of the plan,  
42 or a provision setting forth the business plan for the continued  
43 operation of each financial institution after the execution of  
44 the plan.

45 (d) A statement that the entire transaction is subject to  
46 written approval of the office and approval of the members or  
47 stockholders of the transferring financial institution.

48 (e) If a stock financial institution is the transferring  
49 financial institution and the proposed sale is not for cash, a  
50 clear and concise statement that dissenting stockholders of the  
51 institution are entitled to the rights set forth in s. 658.44(4)  
52 and (5).

53 (f) The proposed effective date of the acquisition,  
54 assumption, or sale and such other information and provisions as  
55 necessary to execute the transaction or as required by the  
56 office.

57 (3)~~(2)~~ APPROVAL OF OFFICE.—Following approval by the board  
58 of directors of each participating financial institution, the  
59 plan, together with certified copies of the authorizing  
60 resolutions adopted by the boards and a completed application  
61 with a nonrefundable filing fee, must be forwarded to the office  
62 for approval or disapproval. The office shall approve the plan  
63 of acquisition, assumption, or sale if it appears that:

64 (a) The resulting financial entity or entities would have  
65 an adequate capital structure in relation to their activities  
66 and their deposit liabilities;

67 (b) The plan is fair to all parties; and

68 (c) The plan is not contrary to the public interest.

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70 If the office disapproves the plan, it shall state its  
71 objections and give the parties an opportunity to amend the plan  
72 to overcome such objections.

73 (4)~~(3)~~ VOTE OF MEMBERS OR STOCKHOLDERS.—If the office  
74 approves the plan, it may be submitted to the members or  
75 stockholders of the transferring financial institution at an  
76 annual meeting or at a special meeting called to consider such  
77 action. Upon a majority vote of the total number of votes  
78 eligible to be cast or, in the case of a credit union, a  
79 majority vote of the members present at the meeting, the plan is  
80 adopted.

81 (5)~~(4)~~ ADOPTED PLAN; CERTIFICATE; ABANDONMENT.—

82 (a) If the plan is adopted by the members or stockholders  
83 of the transferring financial institution, the president or vice  
84 president and the cashier, manager, or corporate secretary of  
85 such institution shall submit the adopted plan to the office,  
86 together with a certified copy of the resolution of the members  
87 or stockholders approving it.

88 (b) Upon receipt of the certified copies and evidence that  
89 the participating financial institutions have complied with all  
90 applicable state and federal law and rules, the office shall  
91 certify, in writing, to the participants that the plan has been  
92 approved.

93 (c) Notwithstanding approval of the members or stockholders  
94 or certification by the office, the board of directors of the  
95 transferring financial institution may abandon such a  
96 transaction without further action or approval by the members or  
97 stockholders, subject to the rights of third parties under any  
98 contracts relating thereto.



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99            (6)~~(5)~~ FEDERALLY CHARTERED OR OUT-OF-STATE INSTITUTION AS A  
100 PARTICIPANT.—If one of the participants in a transaction under  
101 this section is a federally chartered financial institution or  
102 an out-of-state financial institution, all participants must  
103 also comply with requirements imposed by federal and other state  
104 law for the acquisition, assumption, or sale and provide  
105 evidence of such compliance to the office as a condition  
106 precedent to the issuance of a certificate authorizing the  
107 transaction; however, if the purchasing or assuming financial  
108 institution is a federal or out-of-state state-chartered  
109 financial institution and the transferring state financial  
110 entity will be liquidated, approval of the office is not  
111 required.

112            (7)~~(6)~~ STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.—A  
113 mutual financial institution may not sell 50 percent or more ~~all~~  
114 ~~or substantially all~~ of its assets to a stock financial  
115 institution until it has first converted into a capital stock  
116 financial institution in accordance with s. 665.033(1) and (2).  
117 For this purpose, references in s. 665.033(1) and (2) to  
118 associations also refer to credit unions but, in the case of a  
119 credit union, the provision concerning proxy statements does not  
120 apply.

121            Section 7. Paragraph (c) of subsection (3) of section  
122 655.50, Florida Statutes, is amended to read:

123            655.50 Florida Control of Money Laundering and Terrorist  
124 Financing in Financial Institutions Act.—

125            (3) As used in this section, the term:

126            (c) "Financial institution" has the same meaning as in s.  
127 655.005(1)(i), excluding an international representative office,



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128 an international administrative office, or a qualified limited  
129 service affiliate ~~means a financial institution, as defined in~~  
130 ~~31 U.S.C. s. 5312, as amended, including a credit card bank,~~  
131 ~~located in this state.~~

132 Section 8. Present subsections (2) through (8) of section  
133 657.021, Florida Statutes, are redesignated as subsections (3)  
134 through (9), respectively, and a new subsection (2) is added to  
135 that section, to read:

136 657.021 Board of directors; executive committee  
137 responsibilities; oaths; reports to the office.-

138 (2) Within the 30 days following the annual meeting or any  
139 other meeting at which any director, officer, member of the  
140 supervisory or audit committee, member of the credit committee,  
141 or credit manager is elected or appointed, the credit union  
142 shall submit to the office the names and residence addresses of  
143 the elected person or persons on a form adopted by the  
144 commission and provided by the office.

145 Section 9. Subsection (6) of section 657.028 is repealed.

146 Section 10. Present subsections (20) through (24) of  
147 section 658.12, Florida Statutes, are redesignated as  
148 subsections (21) through (25), respectively, and a new  
149 subsection (20) is added to that section, to read:

150 658.12 Definitions.—Subject to other definitions contained  
151 in the financial institutions codes and unless the context  
152 otherwise requires:

153 (20) "Target market" means the group of clients or  
154 potential clients from whom a bank or proposed bank expects to  
155 draw deposits and to whom a bank focuses or intends to focus its  
156 marketing efforts. The term also means the group of clients or



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157 potential clients from whom a trust company, a trust department  
158 of a bank or association, a proposed trust company, or a  
159 proposed trust department of a bank or an association expects to  
160 draw its fiduciary accounts and to whom it focuses or intends to  
161 focus its marketing efforts.

162 Section 11. Paragraphs (b) and (c) of subsection (1) of  
163 section 658.20, Florida Statutes, are amended to read:

164 658.20 Investigation by office.—

165 (1) Upon the filing of an application, the office shall  
166 make an investigation of:

167 (b) The need for bank or trust facilities or additional  
168 bank or trust facilities, as the case may be, in the primary  
169 service area where the proposed bank or trust company is to be  
170 located or in the target market that the bank or trust company  
171 intends to engage in business.

172 (c) The ability of the primary service area or target  
173 market to support the proposed bank or trust company and all  
174 other existing bank or trust facilities that serve the same  
175 primary service area or target market ~~in the primary service~~  
176 ~~area.~~

177 Section 12. Subsections (1) and (4) of section 658.21,  
178 Florida Statutes, are amended to read:

179 658.21 Approval of application; findings required.—The  
180 office shall approve the application if it finds that:

181 (1) Local and target market conditions indicate reasonable  
182 promise of successful operation for the proposed state bank or  
183 trust company. In determining whether an applicant meets the  
184 requirements of this subsection, the office shall consider all  
185 materially relevant factors, including:



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186 (a) The purpose, objectives, and business philosophy of the  
187 proposed state bank or trust company.

188 (b) The projected financial performance of the proposed  
189 bank or trust company.

190 (c) The feasibility of the proposed bank or trust company,  
191 as stated in the business plan, particularly with respect to  
192 asset and liability growth and management.

193 (4) The proposed officers have sufficient financial  
194 institution experience, ability, standing, and reputation and  
195 the proposed directors have sufficient business experience,  
196 ability, standing, and reputation to indicate reasonable promise  
197 of successful operation, and none of the proposed officers or  
198 directors has been convicted of, or pled guilty or nolo  
199 contendere to, any violation of s. 655.50, relating to the  
200 control of money laundering and terrorist financing; chapter  
201 896, relating to offenses related to financial institutions; or  
202 similar state or federal law. At least two of the proposed  
203 directors who are not also proposed officers must have had at  
204 least 1 year of direct experience as an executive officer,  
205 regulator, or director of a financial institution within the 5  
206 years before the date of the application. However, if the  
207 applicant demonstrates that at least one of the proposed  
208 directors has very substantial experience as an executive  
209 officer, director, or regulator of a financial institution more  
210 than 5 years before the date of the application, the office may  
211 modify the requirement and allow the applicant to have only one  
212 director who has direct financial institution experience within  
213 the last 5 years. The proposed president or chief executive  
214 officer must have had at least 1 year of direct experience as an





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215 executive officer, director, or regulator of a financial  
216 institution ~~within the last 5 years.~~

217 Section 13. Present subsections (2), (3), and (4) of  
218 section 658.28, Florida Statutes, are redesignated as  
219 subsections (3), (4), and (5), respectively, and a new  
220 subsection (2) is added to that section, to read:

221 658.28 Acquisition of control of a bank or trust company.—

222 (2) A person or a group of persons which acquires a  
223 controlling interest as contemplated by this section, either  
224 directly or indirectly, in a state bank or state trust company  
225 through probate or trust shall notify the office within 90 days  
226 after acquiring such interest. Such an interest does not give  
227 rise to a presumption of control until the person or group of  
228 persons votes the shares or the office has issued a certificate  
229 of approval in response to an application pursuant to subsection  
230 (1).

231 Section 14. Present paragraphs (b) and (c) of subsection  
232 (11) of section 658.2953, Florida Statutes, are redesignated as  
233 paragraphs (c) and (d), respectively, and a new paragraph (b) is  
234 added to that subsection, to read:

235 658.2953 Interstate branching.—

236 (11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

237 (b) "De novo branch" means a branch of a bank which is  
238 originally established by the bank as a branch and does not  
239 become a branch of such bank as a result of:

240 1. The acquisition by the bank of a depository institution  
241 or a branch of a depository institution; or

242 2. The conversion, merger, or consolidation of any such  
243 institution or branch.



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244 Section 15. Paragraph (d) of subsection (1) of section  
245 662.1225, Florida Statutes, is amended to read:

246 662.1225 Requirements for a family trust company, licensed  
247 family trust company, or foreign licensed family trust company.-

248 (1) A family trust company or a licensed family trust  
249 company shall maintain:

250 (d) A deposit account at a bank insured by the Federal  
251 Deposit Insurance Corporation or a credit union insured by the  
252 National Credit Union Administration and located in the United  
253 States with a state chartered or national financial institution  
254 that has a principal or branch office in this state.

255 Section 16. Subsection (1) of section 662.128, Florida  
256 Statutes, is amended to read:

257 662.128 Annual renewal.-

258 (1) ~~Within 45 days after the end of each calendar year,~~ A  
259 family trust company, licensed family trust company, or foreign  
260 licensed family trust company shall file an ~~its~~ annual renewal  
261 application with the office on an annual basis no later than 45  
262 days after the anniversary of the filing of either the initial  
263 application or the prior year's renewal application.

264 Section 17. Subsection (1) of section 663.07, Florida  
265 Statutes, is amended to read:

266 663.07 Asset maintenance or capital equivalency.-

267 (1) Each international bank agency and international branch  
268 shall:

269 (a) Maintain with one or more banks insured by the Federal  
270 Deposit Insurance Corporation and located within the United  
271 States ~~in this state,~~ in such amounts as the office specifies,  
272 evidence of dollar deposits or investment securities of the type



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273 that may be held by a state bank for its own account pursuant to  
274 s. 658.67. The aggregate amount of dollar deposits and  
275 investment securities for an international bank agency or  
276 international branch shall, at a minimum, equal the greater of:

- 277       1. Four million dollars; or  
278       2. Seven percent of the total liabilities of the  
279 international bank agency or international branch excluding  
280 accrued expenses and amounts due and other liabilities to  
281 affiliated branches, offices, agencies, or entities; or

282       (b) Maintain other appropriate reserves, taking into  
283 consideration the nature of the business being conducted by the  
284 international bank agency or international branch.

285  
286 The commission shall prescribe, by rule, the deposit,  
287 safekeeping, pledge, withdrawal, recordkeeping, and other  
288 arrangements for funds and securities maintained under this  
289 subsection. The deposits and securities used to satisfy the  
290 capital equivalency requirements of this subsection shall be  
291 held, to the extent feasible, in one or more state or national  
292 banks located in this state or in a federal reserve bank.

293       Section 18. Present subsections (4), (5), and (6) of  
294 section 663.532, Florida Statutes, are redesignated as  
295 subsections (5), (6), and (7), respectively, a new subsection  
296 (4) is added to that section, and paragraphs (i) and (j) of  
297 subsection (1) of that section are amended, to read:

298       663.532 Qualification.—

299       (1) To qualify as a qualified limited service affiliate  
300 under this part, a proposed qualified limited service affiliate  
301 must file a written notice with the office, in the manner and on



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302 a form prescribed by the commission. Such written notice must  
303 include:

304 (i) A declaration under penalty of perjury signed by the  
305 executive officer, manager, or managing member of the proposed  
306 qualified limited service affiliate that, to the best of his or  
307 her knowledge:

308 1. No employee, representative, or agent provides, or will  
309 provide, banking services; promotes or sells, or will promote or  
310 sell, investments; or accepts, or will accept, custody of  
311 assets.

312 2. No employee, representative, or agent acts, or will act,  
313 as a fiduciary in this state, which includes, but is not limited  
314 to, accepting the fiduciary appointment, executing the fiduciary  
315 documents that create the fiduciary relationship, or making  
316 discretionary decisions regarding the investment or distribution  
317 of fiduciary accounts.

318 3. The jurisdiction of the international trust entity or  
319 its offices, subsidiaries, or any affiliates that are directly  
320 involved in or facilitate the financial services functions,  
321 banking, or fiduciary activities of the international trust  
322 entity is not listed on the Financial Action Task Force list of  
323 High-Risk Jurisdictions subject to a Call for Action or list of  
324 Jurisdictions Under Increased Monitoring ~~Public Statement or on~~  
325 ~~its list of jurisdictions with deficiencies in anti-money~~  
326 ~~laundering or counterterrorism.~~

327 (j) For each international trust entity that the proposed  
328 qualified limited service affiliate will provide services for in  
329 this state, the following:

330 1. The name of the international trust entity;



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- 331           2. A list of the current officers and directors of the  
332 international trust entity;
- 333           3. Any country where the international trust entity is  
334 organized or authorized to do business;
- 335           4. The name of the home-country regulator;
- 336           5. Proof that the international trust entity has been  
337 authorized by charter, license, or similar authorization by its  
338 home-country regulator to engage in trust business;
- 339           6. Proof that the international trust entity lawfully  
340 exists and is in good standing under the laws of the  
341 jurisdiction where it is chartered, licensed, or organized;
- 342           7. A statement that the international trust entity is not  
343 in bankruptcy, conservatorship, receivership, liquidation, or in  
344 a similar status under the laws of any country;
- 345           8. Proof that the international trust entity is not  
346 operating under the direct control of the government or the  
347 regulatory or supervisory authority of the jurisdiction of its  
348 incorporation, through government intervention or any other  
349 extraordinary actions, and confirmation that it has not been in  
350 such a status or under such control at any time within the prior  
351 3 years;
- 352           9. Proof and confirmation that the proposed qualified  
353 limited service affiliate is affiliated with the international  
354 trust entities provided in the notice; and
- 355           10. Proof that the jurisdictions where the international  
356 trust entity or its offices, subsidiaries, or any affiliates  
357 that are directly involved in or that facilitate the financial  
358 services functions, banking, or fiduciary activities of the  
359 international trust entity are not listed on the Financial



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360 Action Task Force list of High-Risk Jurisdictions subject to a  
361 Call for Action or list of Jurisdictions Under Increased  
362 Monitoring Public Statement ~~or on its list of jurisdictions with~~  
363 ~~deficiencies in anti-money laundering or counterterrorism.~~

364  
365 The proposed qualified limited service affiliate may provide  
366 additional information in the form of exhibits when attempting  
367 to satisfy any of the qualification requirements. All  
368 information that the proposed qualified limited service  
369 affiliate desires to present to support the written notice must  
370 be submitted with the notice.

371 (4) The permissible activities provided in s. 663.531

372  
373 ===== T I T L E A M E N D M E N T =====

374 And the title is amended as follows:

375 Delete lines 32 - 61

376 and insert:

377 repealing s. 657.028(6), F.S., relating to credit  
378 union board member, committee member, and officer  
379 election and appointment record reporting  
380 requirements; amending s. 658.12, F.S.; defining the  
381 term "target market"; amending s. 658.20, F.S.;  
382 requiring the office, upon receiving applications for  
383 authority to organize a bank or trust company, to  
384 investigate the need for new bank facilities in a  
385 primary service area or target market and the ability  
386 of such service area or target market to support new  
387 and existing bank facilities; amending s. 658.21,  
388 F.S.; revising financial institution application



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389 approval requirements to include consideration of  
390 target market conditions; deleting a requirement that  
391 certain proposed financial institution presidents or  
392 chief executive officers have certain experience  
393 within a specified timeframe; amending s. 658.28,  
394 F.S.; requiring a person or group to notify the office  
395 within a specified timeframe upon acquiring a  
396 controlling interest in a bank or trust company in  
397 this state; amending s. 658.2953, F.S.; defining the  
398 term "de novo branch"; amending s. 662.1225, F.S.;  
399 revising the type of institution with which certain  
400 family trust companies are required to maintain a  
401 deposit account; amending s. 662.128, F.S.; revising  
402 the timeframe for filing renewal applications for  
403 certain family trust companies; amending s. 663.07,  
404 F.S.; revising the banks with which international bank  
405 agencies or branches shall maintain certain deposits;  
406 amending s. 663.532, F.S.; revising references to  
407 lists of jurisdictions used for qualifying qualified  
408 limited service affiliates; requiring limited service  
409 affiliates to