



590092

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/16/2021	.	
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The Committee on Banking and Insurance (Gruters) recommended the following:

Senate Amendment (with title amendment)

Delete lines 190 - 559

and insert:

(f) In coordinating an examination required under this section, if a federal agency suspends or cancels a previously scheduled examination of a financial institution, the office has an additional 90 days to meet the examination requirement of this section. In such case, the requirement is deemed met by the federal agency conducting the examination upon the lifting of



11 the suspension or upon the office conducting the examination
12 instead.

13 (4) A copy of the report of each examination must be
14 furnished to the financial institution ~~entity~~ examined and
15 presented to the board of directors at its next regular or
16 special meeting. Each director shall review the report and
17 acknowledge receipt of the report and such review by signing and
18 dating the prescribed signature page of the report and returning
19 a copy of the signed page to the office.

20 Section 6. Section 655.414, Florida Statutes, is amended to
21 read:

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

31 (1) Percentages of assets or liabilities must be calculated
32 based on the most recent quarterly reporting date.

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

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



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40 (b) A statement setting forth the material terms of the
41 proposed acquisition, assumption, or sale, including the plan
42 for disposition of all assets and liabilities not subject to the
43 plan.

44 (c) A provision for liquidation, if applicable, of the
45 transferring financial institution upon execution of the plan,
46 or a provision setting forth the business plan for the continued
47 operation of each financial institution after the execution of
48 the plan.

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

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

57 (f) The proposed effective date of the acquisition,
58 assumption, or sale and such other information and provisions as
59 necessary to execute the transaction or as required by the
60 office.

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

68 (a) The resulting financial entity or entities would have



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69 an adequate capital structure in relation to their activities
70 and their deposit liabilities;

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

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

73

74 If the office disapproves the plan, it shall state its
75 objections and give the parties an opportunity to amend the plan
76 to overcome such objections.

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

85 (5)~~(4)~~ ADOPTED PLAN; CERTIFICATE; ABANDONMENT.—

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

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

97 (c) Notwithstanding approval of the members or stockholders



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98 or certification by the office, the board of directors of the
99 transferring financial institution may abandon such a
100 transaction without further action or approval by the members or
101 stockholders, subject to the rights of third parties under any
102 contracts relating thereto.

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

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

125 Section 7. Paragraph (c) of subsection (3) of section
126 655.50, Florida Statutes, is amended to read:



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127 655.50 Florida Control of Money Laundering and Terrorist
128 Financing in Financial Institutions Act.—

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

130 (c) "Financial institution" means a state association, a
131 bank, a trust company, a credit union, a credit card bank, an
132 international bank agency, or an international branch financial
133 institution, as defined in 31 U.S.C. s. 5312, as amended,
134 including a credit card bank, located in this state.

135 Section 8. Present subsections (2) through (8) of section
136 657.021, Florida Statutes, are redesignated as subsections (3)
137 through (9), respectively, and a new subsection (2) is added to
138 that section, to read:

139 657.021 Board of directors; executive committee.—

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

147 Section 9. Paragraph (a) of subsection (5) of section
148 657.042, Florida Statutes, is amended to read:

149 657.042 Investment powers and limitations.—A credit union
150 may invest its funds subject to the following definitions,
151 restrictions, and limitations:

152 (5) INVESTMENTS IN REAL ESTATE AND EQUIPMENT FOR THE CREDIT
153 UNION.—

154 (a) Up to 60 ~~5~~ percent of the equity ~~capital~~ of the credit
155 union may be invested in the direct ownership of, or leasehold



156 interests in, land, buildings, furniture, fixtures, and
157 equipment, and improvements thereon, used or to be used by the
158 credit union in the transaction of its business. This limitation
159 applies to assets subject to a lease agreement which are
160 required to be capitalized under criteria issued by the
161 Financial Accounting Standards Board ~~real estate and~~
162 ~~improvements thereon, furniture, fixtures, and equipment~~
163 ~~utilized or to be utilized by the credit union for the~~
164 ~~transaction of business.~~

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

169 658.12 Definitions.—Subject to other definitions contained
170 in the financial institutions codes and unless the context
171 otherwise requires:

172 (20) "Target market" means the group of clients or
173 potential clients from whom a bank or proposed bank expects to
174 draw deposits and to whom a bank focuses or intends to focus its
175 marketing efforts. The term also means the group of clients or
176 potential clients from whom a trust company, a trust department
177 of a bank or association, a proposed trust company, or a
178 proposed trust department of a bank or an association expects to
179 draw its fiduciary accounts and to whom it focuses or intends to
180 focus its marketing efforts.

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

183 658.20 Investigation by office.—

184 (1) Upon the filing of an application, the office shall



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185 make an investigation of:

186 (b) The need for bank or trust facilities or additional
187 bank or trust facilities, as the case may be, in the primary
188 service area where the proposed bank or trust company is to be
189 located or in the target market that the bank or trust company
190 intends to engage in business.

191 (c) The ability of the primary service area or target
192 market to support the proposed bank or trust company and all
193 other existing bank or trust facilities that serve the same
194 primary service area or target market ~~in the primary service~~
195 ~~area.~~

196 Section 12. Subsection (4) of section 658.21, Florida
197 Statutes, is amended to read:

198 658.21 Approval of application; findings required.—The
199 office shall approve the application if it finds that:

200 (4) The proposed officers have sufficient financial
201 institution experience, ability, standing, and reputation and
202 the proposed directors have sufficient business experience,
203 ability, standing, and reputation to indicate reasonable promise
204 of successful operation, and none of the proposed officers or
205 directors has been convicted of, or pled guilty or nolo
206 contendere to, any violation of s. 655.50, relating to the
207 control of money laundering and terrorist financing; chapter
208 896, relating to offenses related to financial institutions; or
209 similar state or federal law. At least two of the proposed
210 directors who are not also proposed officers must have had at
211 least 1 year of direct experience as an executive officer,
212 regulator, or director of a financial institution within the 5
213 years before the date of the application. However, if the



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214 applicant demonstrates that at least one of the proposed
215 directors has very substantial experience as an executive
216 officer, director, or regulator of a financial institution more
217 than 5 years before the date of the application, the office may
218 modify the requirement and allow the applicant to have only one
219 director who has direct financial institution experience within
220 the last 5 years. The proposed president or chief executive
221 officer must have had at least 1 year of direct experience as an
222 executive officer, director, or regulator of a financial
223 institution ~~within the last 5 years.~~

224 Section 13. Section 658.265, Florida Statutes, is created
225 to read:

226 658.265 Trust Representative Offices.-

227 (1) For purposes of this section, the term "trust
228 representative office" means an office of a bank or trust
229 company other than a main office or branch of a bank or trust
230 company at which activities ancillary to fiduciary business are
231 conducted.

232 (2) A trust representative office may engage in the
233 following ancillary activities:

234 (a) Advertising, marketing, and soliciting for fiduciary
235 business.

236 (b) Contacting existing or potential customers, answering
237 questions, and providing information about matters related to
238 customer accounts.

239 (c) Acting as a liaison between the bank or trust company
240 and the customer, including, but not limited to, forwarding
241 requests for distribution or changes in investment objectives or
242 forwarding forms and funds received from the customer.



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243 (d) Inspecting or maintaining custody of fiduciary assets
244 or holding title to real property.

245 (3) A trust representative office may not engage in any
246 activities considered to be fiduciary in nature, including, but
247 not limited to:

248 (a) Acting as a trustee, an executor, an administrator, a
249 registrar of stocks and bonds, a transfer agent, a guardian, an
250 assignee, a receiver, or a custodian under a uniform gifts to
251 minors act;

252 (b) Acting as an investment adviser, if the bank or trust
253 company receives a fee for its investment advice; or

254 (c) Acting in any capacity in which the bank or trust
255 company possesses investment discretion on behalf of another.

256 Section 14. Present subsections (2), (3), and (4) of
257 section 658.28, Florida Statutes, are redesignated as
258 subsections (3), (4), and (5), respectively, and a new
259 subsection (2) is added to that section, to read:

260 658.28 Acquisition of control of a bank or trust company.-

261 (2) A person or a group of persons that acquires a
262 controlling interest as contemplated by this section, either
263 directly or indirectly, in a state bank or state trust company
264 through probate or trust shall notify the office within 90 days
265 after acquiring such interest. Such an interest does not give
266 rise to a presumption of control until the person or group of
267 persons votes the shares or the office has issued a certificate
268 of approval in response to an application pursuant to subsection
269 (1).

270 Section 15. Present paragraphs (b) and (c) of subsection
271 (11) of section 658.2953, Florida Statutes, are redesignated as



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272 paragraphs (c) and (d), respectively, and a new paragraph (b) is
273 added to that subsection, to read:

274 658.2953 Interstate branching.—

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

276 (b) "De novo branch" means a branch of a financial
277 institution which is originally established by the financial
278 institution as a branch and does not become a branch of such
279 financial institution as a result of:

280 1. The acquisition by the financial institution of a
281 depository institution or a branch of a depository institution;
282 or

283 2. The conversion, merger, or consolidation of any such
284 institution or branch.

285 Section 16. Paragraph (d) of subsection (1) of section
286 662.1225, Florida Statutes, is amended to read:

287 662.1225 Requirements for a family trust company, licensed
288 family trust company, or foreign licensed family trust company.—

289 (1) A family trust company or a licensed family trust
290 company shall maintain:

291 (d) A deposit account at a bank insured by the Federal
292 Deposit Insurance Corporation located in the United States ~~with~~
293 ~~a state-chartered or national financial institution that has a~~
294 ~~principal or branch office in this state.~~

295 Section 17. Subsection (1) of section 662.128, Florida
296 Statutes, is amended to read:

297 662.128 Annual renewal.—

298 (1) Within 45 days after the end of each calendar year, a
299 family trust company, licensed family trust company, or foreign
300 licensed family trust company shall file its annual renewal



301 application with the office. The annual renewal application
302 shall be filed annually no later than 45 days after the
303 anniversary of the filing of either the initial application or
304 the prior year's renewal application of the family trust
305 company, licensed family trust company, or foreign licensed
306 family trust company.

307 Section 18. Subsection (1) of section 663.07, Florida
308 Statutes, is amended to read:

309 663.07 Asset maintenance or capital equivalency.—

310 (1) Each international bank agency and international branch
311 shall:

312 (a) Maintain with one or more banks insured by the Federal
313 Deposit Insurance Corporation and located within the United
314 States ~~in this state~~, in such amounts as the office specifies,
315 evidence of dollar deposits or investment securities of the type
316 that may be held by a state bank for its own account pursuant to
317 s. 658.67. The aggregate amount of dollar deposits and
318 investment securities for an international bank agency or
319 international branch shall, at a minimum, equal the greater of:

320 1. Four million dollars; or

321 2. Seven percent of the total liabilities of the
322 international bank agency or international branch excluding
323 accrued expenses and amounts due and other liabilities to
324 affiliated branches, offices, agencies, or entities; or

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

328

329 The commission shall prescribe, by rule, the deposit,



330 safekeeping, pledge, withdrawal, recordkeeping, and other
331 arrangements for funds and securities maintained under this
332 subsection. The deposits and securities used to satisfy the
333 capital equivalency requirements of this subsection shall be
334 held, to the extent feasible, in one or more state or national
335 banks located in this state or in a federal reserve bank.

336 Section 19. Present subsections (4), (5), and (6) of
337 section 663.532, Florida Statutes, are redesignated as
338 subsections (5), (6), and (7) respectively, and a new subsection
339 (4) is added to that section, to read:

340 663.532 Qualification.—

341 (4) The permissible activities provided in s. 663.408
342 relating to a specific jurisdiction must be suspended by the
343 qualified limited service affiliate if either the qualified
344 limited service affiliate or the office becomes aware that the
345 jurisdiction of an international trust entity served by the
346 qualified limited service affiliate is included on the Financial
347 Action Task Force list of High-Risk Jurisdictions subject to a
348 Call for Action or list of Jurisdictions Under Increased
349 Monitoring. Suspensions pursuant to this subsection must remain
350 in effect until the jurisdiction is removed from the Financial
351 Action Task Force list of High Risk Jurisdictions subject to a
352 Call for Action or list of Jurisdictions Under Increased
353 Monitoring.

354
355 ===== T I T L E A M E N D M E N T =====

356 And the title is amended as follows:

357 Delete lines 15 - 68

358 and insert:



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359 examinations; authorizing the Office of Financial
360 Regulation to delay examinations of financial
361 institutions under certain circumstances; specifying
362 that examination requirements are deemed met under
363 certain circumstances; requiring copies of certain
364 examination reports to be furnished to financial
365 institutions; requiring certain directors to review
366 and acknowledge receipt of such reports; amending s.
367 655.414, F.S.; revising the entities that may assume
368 liabilities, and the liabilities that may be assumed,
369 according to certain procedures, conditions, and
370 limitations; specifying the basis for calculating
371 percentages of assets or liabilities; amending s.
372 655.50, F.S.; revising the definition of the term
373 "financial institution"; amending s. 657.021, F.S.;
374 requiring credit unions to submit specified
375 information to the office after certain meetings;
376 amending s. 657.042, F.S.; revising certain
377 limitations on credit union investments; amending s.
378 658.12, F.S.; defining the term "target market";
379 amending s. 658.20, F.S.; requiring the office, upon
380 receiving applications for authority to organize a
381 bank or trust company, to investigate the need for new
382 bank facilities in a primary service area or target
383 market and the ability of such service area or target
384 market to support new and existing bank facilities;
385 amending s. 658.21, F.S.; deleting a requirement that
386 certain proposed financial institution presidents or
387 chief executive officers have certain experience



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388 within a specified timeframe; creating s. 658.265,
389 F.S.; defining the term "trust representative office";
390 authorizing a trust representative office to engage in
391 certain activities; prohibiting a trust representative
392 office from engaging in fiduciary activities; amending
393 s. 658.28, F.S.; requiring a person or group to notify
394 the office upon acquiring a controlling interest in a
395 bank or trust company in this state; amending s.
396 658.2953, F.S.; defining the term "de novo branch";
397 amending s. 662.1225, F.S.; revising the type of
398 institution with which certain family trust companies
399 are required to maintain a deposit account; amending
400 s. 662.128, F.S.; revising the timeframe for filing
401 renewal applications for certain family trust
402 companies; amending s. 663.07, F.S.; revising the
403 banks with which international bank agencies or
404 branches shall maintain certain deposits; amending s.
405 663.532, F.S.; requiring limited service affiliates to
406 suspend certain permissible activities under certain
407 circumstances; specifying that such suspensions remain
408 in effect until certain conditions are met; amending
409 s. 736.0802, F.S.; conforming a