



786308

LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
03/29/2021	.	
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The Committee on Judiciary (Gruters) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 192 - 524  
and insert:  
federal agency conducting the examination or upon the office  
conducting the examination instead.

(4) A copy of the report of each examination must be  
furnished to the financial institution ~~entity~~ examined and  
presented to the board of directors at its next regular or  
special meeting. Each director shall review the report and  
acknowledge receipt of the report and such review by signing and



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12 dating the prescribed signature page of the report and returning  
13 a copy of the signed page to the office.

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

16 655.414 Acquisition of assets; assumption of liabilities.—  
17 With prior approval of the office and upon such conditions as  
18 the commission prescribes by rule, a financial institution  
19 ~~entity~~ may acquire 50 percent or more ~~all or substantially all~~  
20 of the assets or liabilities of, or a combination of assets and  
21 liabilities of, or assume all or any part of the liabilities of,  
22 any other financial institution in accordance with the  
23 procedures and subject to the following conditions and  
24 limitations:

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

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

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

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

39 (c) A provision for liquidation, if applicable, of the  
40 transferring financial institution upon execution of the plan,



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

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

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

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

56 (3)~~(2)~~ APPROVAL OF OFFICE.—Following approval by the board  
57 of directors of each participating financial institution, the  
58 plan, together with certified copies of the authorizing  
59 resolutions adopted by the boards and a completed application  
60 with a nonrefundable filing fee, must be forwarded to the office  
61 for approval or disapproval. The office shall approve the plan  
62 of acquisition, assumption, or sale if it appears that:

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

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

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

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69 If the office disapproves the plan, it shall state its



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70 objections and give the parties an opportunity to amend the plan  
71 to overcome such objections.

72 (4)~~(3)~~ VOTE OF MEMBERS OR STOCKHOLDERS.—If the office  
73 approves the plan, it may be submitted to the members or  
74 stockholders of the transferring financial institution at an  
75 annual meeting or at a special meeting called to consider such  
76 action. Upon a majority vote of the total number of votes  
77 eligible to be cast or, in the case of a credit union, a  
78 majority vote of the members present at the meeting, the plan is  
79 adopted.

80 (5)~~(4)~~ ADOPTED PLAN; CERTIFICATE; ABANDONMENT.—

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

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

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

98 (6)~~(5)~~ FEDERALLY CHARTERED OR OUT-OF-STATE INSTITUTION AS A



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

111 (7) ~~(6)~~ STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.—A  
112 mutual financial institution may not sell 50 percent or more ~~all~~  
113 ~~or substantially all~~ of its assets to a stock financial  
114 institution until it has first converted into a capital stock  
115 financial institution in accordance with s. 665.033(1) and (2).  
116 For this purpose, references in s. 665.033(1) and (2) to  
117 associations also refer to credit unions but, in the case of a  
118 credit union, the provision concerning proxy statements does not  
119 apply.

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

122 655.50 Florida Control of Money Laundering and Terrorist  
123 Financing in Financial Institutions Act.—

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

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



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128 ~~service affiliate means a financial institution, as defined in~~  
129 ~~31 U.S.C. s. 5312, as amended, including a credit card bank,~~  
130 ~~located in this state.~~

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

135 657.021 Board of directors; executive committee  
136 responsibilities; oaths; reports to the office.-

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

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

145 Section 10. Paragraph (a) of subsection (5) of section  
146 657.042, Florida Statutes, is amended to read:

147 657.042 Investment powers and limitations.-A credit union  
148 may invest its funds subject to the following definitions,  
149 restrictions, and limitations:

150 (5) INVESTMENTS IN REAL ESTATE AND EQUIPMENT FOR THE CREDIT  
151 UNION.-

152 (a) Up to 60 ~~5~~ percent of the equity capital of the credit  
153 union may be invested in the direct ownership of, or leasehold  
154 interests in, land, buildings, furniture, fixtures, and  
155 equipment, and improvements thereon, used or to be used by the  
156 credit union in the transaction of its business. This limitation



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

163       Section 11. Present subsections (20) through (24) of  
164 section 658.12, Florida Statutes, are redesignated as  
165 subsections (21) through (25), respectively, and a new  
166 subsection (20) is added to that section, to read:

167       658.12 Definitions.—Subject to other definitions contained  
168 in the financial institutions codes and unless the context  
169 otherwise requires:

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

179       Section 12. Paragraphs (b) and (c) of subsection (1) of  
180 section 658.20, Florida Statutes, are amended to read:

181       658.20 Investigation by office.—

182       (1) Upon the filing of an application, the office shall  
183 make an investigation of:

184       (b) The need for bank or trust facilities or additional  
185 bank or trust facilities, as the case may be, in the primary



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186 service area where the proposed bank or trust company is to be  
187 located or in the target market that the bank or trust company  
188 intends to engage in business.

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

194 Section 13. Subsections (1) and (4) of section 658.21,  
195 Florida Statutes, are amended to read:

196 658.21 Approval of application; findings required.—The  
197 office shall approve the application if it finds that:

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

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

205 (b) The projected financial performance of the proposed  
206 bank or trust company.

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

210 (4) The proposed officers have sufficient financial  
211 institution experience, ability, standing, and reputation and  
212 the proposed directors have sufficient business experience,  
213 ability, standing, and reputation to indicate reasonable promise  
214 of successful operation, and none of the proposed officers or





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215 directors has been convicted of, or pled guilty or nolo  
216 contendere to, any violation of s. 655.50, relating to the  
217 control of money laundering and terrorist financing; chapter  
218 896, relating to offenses related to financial institutions; or  
219 similar state or federal law. At least two of the proposed  
220 directors who are not also proposed officers must have had at  
221 least 1 year of direct experience as an executive officer,  
222 regulator, or director of a financial institution within the 5  
223 years before the date of the application. However, if the  
224 applicant demonstrates that at least one of the proposed  
225 directors has very substantial experience as an executive  
226 officer, director, or regulator of a financial institution more  
227 than 5 years before the date of the application, the office may  
228 modify the requirement and allow the applicant to have only one  
229 director who has direct financial institution experience within  
230 the last 5 years. The proposed president or chief executive  
231 officer must have had at least 1 year of direct experience as an  
232 executive officer, director, or regulator of a financial  
233 institution ~~within the last 5 years.~~

234 Section 14. Present subsections (2), (3), and (4) of  
235 section 658.28, Florida Statutes, are redesignated as  
236 subsections (3), (4), and (5), respectively, and a new  
237 subsection (2) is added to that section, to read:

238 658.28 Acquisition of control of a bank or trust company.-

239 (2) A person or a group of persons which acquires a  
240 controlling interest as contemplated by this section, either  
241 directly or indirectly, in a state bank or state trust company  
242 through probate or trust shall notify the office within 90 days  
243 after acquiring such interest. Such an interest does not give



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244 rise to a presumption of control until the person or group of  
245 persons votes the shares or the office has issued a certificate  
246 of approval in response to an application pursuant to subsection  
247 (1).

248 Section 15. Present paragraphs (b) and (c) of subsection  
249 (11) of section 658.2953, Florida Statutes, are redesignated as  
250 paragraphs (c) and (d), respectively, and a new paragraph (b) is  
251 added to that subsection, to read:

252 658.2953 Interstate branching.—

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

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

257 1. The acquisition by the bank of a depository institution  
258 or a branch of a depository institution; or

259 2. The conversion, merger, or consolidation of any such  
260 institution or branch.

261 Section 16. Paragraph (d) of subsection (1) of section  
262 662.1225, Florida Statutes, is amended to read:

263 662.1225 Requirements for a family trust company, licensed  
264 family trust company, or foreign licensed family trust company.—

265 (1) A family trust company or a licensed family trust  
266 company shall maintain:

267 (d) A deposit account at a bank insured by the Federal  
268 Deposit Insurance Corporation or a credit union insured by the  
269 National Credit Union Administration and located in the United  
270 States ~~with a state-chartered or national financial institution~~  
271 ~~that has a principal or branch office in this state.~~

272 Section 17. Subsection (1) of section 662.128, Florida



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273 Statutes, is amended to read:

274 662.128 Annual renewal.—

275 (1) ~~Within 45 days after the end of each calendar year,~~ A  
276 family trust company, licensed family trust company, or foreign  
277 licensed family trust company shall file an ~~its~~ annual renewal  
278 application with the office on an annual basis no later than 45  
279 days after the anniversary of the filing of either the initial  
280 application or the prior year's renewal application.

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

283 663.07 Asset maintenance or capital equivalency.—

284 (1) Each international bank agency and international branch  
285 shall:

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

- 294 1. Four million dollars; or  
295 2. Seven percent of the total liabilities of the  
296 international bank agency or international branch excluding  
297 accrued expenses and amounts due and other liabilities to  
298 affiliated branches, offices, agencies, or entities; or

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



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302  
303 The commission shall prescribe, by rule, the deposit,  
304 safekeeping, pledge, withdrawal, recordkeeping, and other  
305 arrangements for funds and securities maintained under this  
306 subsection. The deposits and securities used to satisfy the  
307 capital equivalency requirements of this subsection shall be  
308 held, to the extent feasible, in one or more state or national  
309 banks located in this state or in a federal reserve bank.

310 Section 19. Present subsections (4), (5), and (6) of  
311 section 663.532, Florida Statutes, are redesignated as  
312 subsections (5), (6), and (7), respectively, a new subsection  
313 (4) is added to that section, and paragraphs (i) and (j) of  
314 subsection (1) of that section are amended, to read:

315 663.532 Qualification.—

316 (1) To qualify as a qualified limited service affiliate  
317 under this part, a proposed qualified limited service affiliate  
318 must file a written notice with the office, in the manner and on  
319 a form prescribed by the commission. Such written notice must  
320 include:

321 (i) A declaration under penalty of perjury signed by the  
322 executive officer, manager, or managing member of the proposed  
323 qualified limited service affiliate that, to the best of his or  
324 her knowledge:

325 1. No employee, representative, or agent provides, or will  
326 provide, banking services; promotes or sells, or will promote or  
327 sell, investments; or accepts, or will accept, custody of  
328 assets.

329 2. No employee, representative, or agent acts, or will act,  
330 as a fiduciary in this state, which includes, but is not limited



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331 to, accepting the fiduciary appointment, executing the fiduciary  
332 documents that create the fiduciary relationship, or making  
333 discretionary decisions regarding the investment or distribution  
334 of fiduciary accounts.

335 3. The jurisdiction of the international trust entity or  
336 its offices, subsidiaries, or any affiliates that are directly  
337 involved in or facilitate the financial services functions,  
338 banking, or fiduciary activities of the international trust  
339 entity is not listed on the Financial Action Task Force list of  
340 High-Risk Jurisdictions subject to a Call for Action or list of  
341 Jurisdictions Under Increased Monitoring ~~Public Statement or on~~  
342 ~~its list of jurisdictions with deficiencies in anti-money~~  
343 ~~laundering or counterterrorism.~~

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

- 347 1. The name of the international trust entity;
- 348 2. A list of the current officers and directors of the  
349 international trust entity;
- 350 3. Any country where the international trust entity is  
351 organized or authorized to do business;
- 352 4. The name of the home-country regulator;
- 353 5. Proof that the international trust entity has been  
354 authorized by charter, license, or similar authorization by its  
355 home-country regulator to engage in trust business;
- 356 6. Proof that the international trust entity lawfully  
357 exists and is in good standing under the laws of the  
358 jurisdiction where it is chartered, licensed, or organized;
- 359 7. A statement that the international trust entity is not



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360 in bankruptcy, conservatorship, receivership, liquidation, or in  
361 a similar status under the laws of any country;

362 8. Proof that the international trust entity is not  
363 operating under the direct control of the government or the  
364 regulatory or supervisory authority of the jurisdiction of its  
365 incorporation, through government intervention or any other  
366 extraordinary actions, and confirmation that it has not been in  
367 such a status or under such control at any time within the prior  
368 3 years;

369 9. Proof and confirmation that the proposed qualified  
370 limited service affiliate is affiliated with the international  
371 trust entities provided in the notice; and

372 10. Proof that the jurisdictions where the international  
373 trust entity or its offices, subsidiaries, or any affiliates  
374 that are directly involved in or that facilitate the financial  
375 services functions, banking, or fiduciary activities of the  
376 international trust entity are not listed on the Financial  
377 Action Task Force list of High-Risk Jurisdictions subject to a  
378 Call for Action or list of Jurisdictions Under Increased  
379 Monitoring Public Statement or on its list of jurisdictions with  
380 deficiencies in anti-money laundering or counterterrorism.

381  
382 The proposed qualified limited service affiliate may provide  
383 additional information in the form of exhibits when attempting  
384 to satisfy any of the qualification requirements. All  
385 information that the proposed qualified limited service  
386 affiliate desires to present to support the written notice must  
387 be submitted with the notice.

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



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

And the title is amended as follows:

Delete lines 32 - 61

and insert:

repealing s. 657.028(6), F.S., relating to credit union board member, committee member, and officer election and appointment record reporting requirements; amending s. 657.042, F.S.; revising certain limitations on credit union investments; amending s. 658.12, F.S.; defining the term "target market"; amending s. 658.20, F.S.; requiring the office, upon receiving applications for authority to organize a bank or trust company, to investigate the need for new bank facilities in a primary service area or target market and the ability of such service area or target market to support new and existing bank facilities; amending s. 658.21, F.S.; revising financial institution application approval requirements to include consideration of target market conditions; deleting a requirement that certain proposed financial institution presidents or chief executive officers have certain experience within a specified timeframe; amending s. 658.28, F.S.; requiring a person or group to notify the office upon acquiring a controlling interest in a bank or trust company in this state; amending s. 658.2953, F.S.; defining the term "de novo branch"; amending s.



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418 662.1225, F.S.; revising the type of institution with  
419 which certain family trust companies are required to  
420 maintain a deposit account; amending s. 662.128, F.S.;  
421 revising the timeframe for filing renewal applications  
422 for certain family trust companies; amending s.  
423 663.07, F.S.; revising the banks with which  
424 international bank agencies or branches shall maintain  
425 certain deposits; amending s. 663.532, F.S.; revising  
426 references to lists of jurisdictions used for  
427 qualifying qualified limited service affiliates;  
428 requiring limited service affiliates to