

By Senator Grall

29-01145A-24

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1 A bill to be entitled
2 An act relating to interest on trust accounts;
3 creating s. 655.97, F.S.; requiring the Chief
4 Financial Officer to set the rate of interest payable
5 by eligible institutions on interest on trust accounts
6 quarterly, effective on specified dates; providing
7 that the percentage yield of such rate may not exceed
8 a specified threshold; requiring the Chief Financial
9 Officer to inform Funding Florida Legal Aid of the
10 rate established for the quarter; providing
11 applicability; authorizing eligible institutions to
12 pay an annual percentage yield that is the greater of
13 specified interest rates or dividends on specified
14 accounts under specified circumstances; requiring that
15 such institutions submit to Funding Florida Legal Aid
16 a certain form promulgated by The Florida Bar;
17 providing an effective date.

18
19 Be It Enacted by the Legislature of the State of Florida:

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21 Section 1. Section 655.97, Florida Statutes, is created to
22 read:

23 655.97 Interest rate for interest on trust accounts.-

24 (1) On December 1, March 1, June 1, and September 1 of each
25 year, the Chief Financial Officer shall set the rate of
26 interest, net of all fees and service charges, which must be
27 payable on interest on trust accounts (IOTA) by eligible
28 institutions for the calendar quarter effective on the following
29 January 1, April 1, July 1, and October 1, respectively, by

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30 using the higher of 68 percent of the upper bound of the federal
31 funds rate or 25 basis points (0.25 percent). This rate is the
32 established compliance rate. The annual percentage yield of the
33 established compliance rate may not exceed 255 basis points
34 (2.55 percent). Upon setting the rate, the Chief Financial
35 Officer shall inform Funding Florida Legal Aid of the
36 established compliance rate for the upcoming quarter. This
37 section does not apply to or affect a rate of interest
38 established by written contract or obligation not affecting IOTA
39 accounts.

40 (2) In lieu of paying the established compliance rate,
41 eligible institutions may pay an annual percentage yield that is
42 the higher of the highest interest rate or dividend generally
43 available from the institution to its non-IOTA business or
44 consumer account customers, or its nonmaturing deposit account
45 customers, or 25 basis points (0.25 percent), when IOTA accounts
46 meet or exceed the same minimum balance or other eligibility
47 qualifications. If this option is selected, the eligible
48 institution must submit to Funding Florida Legal Aid the IOTA
49 Rate - Comparability Information Form promulgated by The Florida
50 Bar.

51 Section 2. This act shall take effect July 1, 2024.