

# FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [CS/HB 1549](#)

**TITLE:** Financial Institutions

**SPONSOR(S):** Maggard

**COMPANION BILL:** [CS/SB 1612](#) (Grall)

**LINKED BILLS:** None

**RELATED BILLS:** None

## Committee References

[Insurance & Banking](#)

14 Y, 0 N, As CS



[Commerce](#)

21 Y, 0 N

## SUMMARY

### Effect of the Bill:

The bill provides various amendments to the financial institutions code. The bill:

- Amends the due dates by which time a financial institution must pay semiannual assessments and specifies the method and timing of when the semiannual assessments must be made.
- Authorizes the Office of Financial Regulation (OFR) to issue a certificate of acquisition to an acquiring financial institution after specified circumstances are met.
- Clarifies that an elected officer, director, or committee member may not receive compensation for their service but may be reimbursed for necessary expenses incurred while performing official credit union business.
- Repeals the requirement for credit unions to maintain a regular reserve and modifies the definition of the term “equity” to remove reference to “regular reserve.”
- Removes a timeframe for certain requirements by directors of a proposed new bank or trust company.
- Modifies the period in which a proposed bank or trust company must open and conduct a general commercial bank or trust company business.

### Fiscal or Economic Impact:

None

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## ANALYSIS

### EFFECT OF THE BILL:

#### State [Financial Institution Assessments](#):

The bill requires state financial institutions to pay a semiannual assessment based on total assets as of the last business day in December and June. The assessment must be received by the Office of Financial Regulation (OFR) via mail, wire transfer, automated clearinghouse, or other approved electronic means by March 31 and September 30. (Section [1](#)).

#### [Certificates for Acquisition or Assumption Transactions](#):

The bill authorizes the OFR to issue a certificate confirming that an acquisition, assumption, or sale transaction between financial institutions has been completed once the acquiring institution submits the necessary evidence. (Section [2](#)).

#### [Definition of "Equity" for Credit Unions](#):

The bill repeals the requirement for credit unions to maintain a regular reserve and modifies the definition of the term “equity” to remove reference to “regular reserve.” (Section [3](#) & [5](#)).

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**DATE:** 4/2/2025

## **Compensation and Reimbursement for Credit Union Officials**

The bill clarifies that elected officers, directors, and committee members may not be compensated for their service, consistent with current law, while stating that they may be reimbursed for necessary expenses incidental to performing official business for the credit union. (Section [4](#)).

## **Stock Subscription:**

The bill requires that at least 30 days before opening, the directors of a proposed bank or trust company must have completed the stock offering and filed with the office a final list of subscribers to all capital stock. (Section [6](#)).

## **Opening of Banks/Trust Companies:**

The bill requires a bank or trust company corporation to open and conduct a general commercial bank or trust business within 18 months after the issuance of a final order of approval by the office. (Section [7](#)).

The effective date of the bill is July 1, 2025. (Section [8](#)).

# **RELEVANT INFORMATION**

## **SUBJECT OVERVIEW:**

### **Financial Institutions**

A financial institution must hold a federal or state charter to accept deposits. Banks are chartered either as national banks by the Office of the Comptroller of the Currency (OCC) under the U.S. Department of the Treasury or as state banks by a state regulator.<sup>1</sup>

In Florida, the Florida Financial Institutions Codes govern all state-authorized and state-chartered banks, trust companies, and related entities.<sup>2</sup> The OFR licenses and regulates 196 financial entities, including 57 state-chartered banks.<sup>3</sup> There are also 30 federally-chartered banks operating in Florida.<sup>4</sup>

### **Banks and Trust Companies**

#### *Federal Law – Creation and Opening of a New Bank or Trust Company*

Federally chartered banks, whether public or private, must meet stringent regulatory requirements to obtain a charter<sup>5</sup>. The OCC follows a two-phase approval process:

- Preliminary Approval: Expires if the proposed bank:
  - Fails to raise required capital within 12 months, or
  - Does not commence business within 18 months, unless an extension is granted.<sup>6</sup>
- Final Approval: Granted after completion of all organization requirements, authorizing the bank to begin operations.<sup>7</sup>

Federal law prohibits offering national bank-issued securities without registration unless an exemption (e.g., for nonpublic offerings) applies.<sup>8</sup>

#### *Florida Law – Creation and Opening of a New Bank or Trust Company*

State law requires that directors of a proposed bank or trust company:

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<sup>1</sup> Congressional Research Service, *Introduction to Financial Services: Banking*, p. 1, January 5, 2023, available at: <https://crsreports.congress.gov/product/pdf/IF/IF10035> (last visited March 15, 2025).

<sup>2</sup> S. [655.005\(1\)\(k\), F.S.](#), states that the Financial Institutions Codes includes: Ch. 655, financial institutions generally; Ch. 657, credit unions; Ch. 658, banks and trust companies; Ch. 660, trust business; Ch. 662, family trust companies; Ch. 663, international banking; Ch. 665, relating to associations; and Ch. 667, savings banks.

<sup>3</sup> The OFR, *Fast Facts* (2025 ed.), available at: [fast-facts.pdf](#) (last visited March 15, 2025) (hereinafter cited as “2025 OFR Fast Facts”).

<sup>4</sup> The OCC, *National Banks Active As of 2/28/2025*, February 28, 2025, available at [national-by-state.pdf](#) (March 15, 2025).

<sup>5</sup> See 12 CFR 16; Office of the Comptroller of the Currency, *Comptroller’s Licensing Manual Charters*, p. 4, December 2021, available at [charters.pdf](#) (last visited March 11, 2025) (hereinafter cited as “OCC Licensing Manual for Charters”).

<sup>6</sup> 12 CFR 5.20(i)(6)(iv)

<sup>7</sup> OCC Licensing Manual for Charters at p. 3.

<sup>8</sup> 12 CFR 16.7

- Complete a stock offering and file a list of subscribers with the OFR within six months of corporate existence and at least 30 days prior to opening.<sup>9</sup>
- Provide additional information as reasonably required by OFR, including financial and biographical details of subscribers.<sup>10</sup>
- Undergo OFR's review and character and financial investigations.

A bank or trust company must begin operations within 12 months of corporate existence, notify OFR of its intended opening date, and comply with any OFR orders.<sup>11</sup> OFR must also conduct a pre-opening examination and issue a certificate of authorization if all requirements are satisfied.<sup>12</sup> However, the OFR reports “[t]he 6-month time requirement has been a problem for recent bank start-ups and is more restrictive than [the 12-month requirement] federally.”<sup>13</sup>

### **Financial Institution Assessments**

Financial institutions must pay semiannual assessments based on total assets as of the last business day of June and December<sup>14</sup>, covering the next six months.<sup>15</sup>

- Assessments are due by January 31 and July 31 and can be submitted by mail, wire transfer, automated clearinghouse, or other OFR-approved electronic means.
- Late penalties may be assessed up to \$100 per day, and intentional late payments may incur administrative fines up to \$1,000 per day, unless excused for good cause.<sup>16</sup>

### **Certificate of Acquisition**

Florida law allows a financial institution to acquire 50 percent or more of the assets, liabilities, or a combination of both of any financial institution subject to the OFR approval and other specified conditions. For instance, both financial institutions must adopt a plan for the acquisition, assumption, or sale which must contain specified information.<sup>17</sup> The OFR is required to approve or disapprove of the plan and, following adoption of the plan by the transferring financial institution, must certify in writing that the plan has been approved.<sup>18</sup> The transferring financial institution may abandon the transaction despite the members’ or stockholders’ approval and the OFR’s certification of the plan.<sup>19</sup> Unlike the OFR’s authority to issue a Certificate of Merger when two credit unions merge,<sup>20</sup> the OFR does not have authority to issue a Certificate of Acquisition when a financial institution purchases or wholly acquires another financial institution.<sup>21</sup>

### **Credit Unions**

A credit union must have a federal or state charter to operate in Florida. Credit unions are chartered and regulated as a national credit union by the National Credit Union Association (NCUA).<sup>22</sup> Such membership is limited to a group or groups with a common bond of occupation or association within a defined community. Deposits into a federal credit union allow members to become owners of the credit union, run to become a credit union official, and vote on certain matters.<sup>23</sup>

The Florida Financial Institutions Codes apply to all state-chartered credit unions.<sup>24</sup> There are approximately 138 credit unions in Florida<sup>25</sup> with 67 of them being state-chartered.<sup>26</sup> Florida law provides that any person may be

<sup>9</sup> S. [658.235\(1\), F.S.](#)

<sup>10</sup> S. [658.25\(2\), F.S.](#)

<sup>11</sup> S. [658.25\(1\), F.S.](#)

<sup>12</sup> S. [658.25\(3\), F.S.](#)

<sup>13</sup> The OFR, *Agency Analysis of 2025 for HB 1459*, p. 3 March 11, 2025. (hereinafter cited as “2025 OFR Agency Analysis for HB 1549”).

<sup>14</sup> S. [655.047\(1\), F.S.](#)

<sup>15</sup> S. [655.047\(3\), F.S.](#)

<sup>16</sup> S. [655.047\(2\), F.S.](#)

<sup>17</sup> S. [655.414\(2\), F.S.](#)

<sup>18</sup> S. 655.414(4) and (5), F.S.

<sup>19</sup> *Id.*

<sup>20</sup> S. [657.065, F.S.](#)

<sup>21</sup> S. [655.414\(5\), F.S.](#)

<sup>22</sup> National Credit Union Administration, *Overview of the Charter Application Process*, April 14, 2022, available at [Overview of the Charter Application Process | NCUA](#) (last visited March 15, 2025).

<sup>23</sup> National Credit Union Administration, *Overview of Federal Credit Unions*, April 14, 2022, available at [Overview of Federal Credit Unions | NCUA](#) (last visited March 15, 2025).

<sup>24</sup> S. [655.005\(1\)\(k\), F.S.](#), states that the Financial Institutions Codes includes ch. 657, credit unions.

admitted to a credit union upon payment of any required fee, payment of shares, and compliance with the credit union bylaws.<sup>27</sup> State-chartered credit unions operate as financial institutions except for exercising certain incidental powers authorized by law.<sup>28</sup>

**Reserve Accounts**

Florida law requires credit unions to maintain the following reserve accounts:

- Allowance for loan and lease losses;
- Regular reserve to meet losses which must not be decreased unless the OFR approves the decrease or as provided by rule of the commission;<sup>29</sup>
- Allowance for investment losses; and
- Special reserves to protect members against losses from risk assets or extended credit when required by rule or other specified circumstances.<sup>30</sup>

In 2022, the NCUA amended federal regulations and removed the requirement for federal credit unions to maintain a regular reserve account.<sup>31</sup>

**OTHER RESOURCES:**

[Florida Credit Unions](#)

[Overview of the Charter Application Process | NCUA](#)

[Fixed-Asset Rule Provides Relief to More than 3,800 Federal Credit Unions | NCUA](#)

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**BILL HISTORY**

| COMMITTEE REFERENCE                                  | ACTION  | DATE      | STAFF DIRECTOR/<br>POLICY CHIEF | ANALYSIS PREPARED BY |
|--|---|-----------|---------------------------------|----------------------|
| <a href="#">Insurance &amp; Banking Subcommittee</a> | 14 Y, 0 N, As CS  | 3/20/2025 | Hamon                           | Herrera              |
| THE CHANGES ADOPTED BY THE COMMITTEE:                | The amendment reinstates the 5% cap on credit union investments in real estate, furniture, fixtures, and equipment, reversing the bill’s removal of this limit. Additionally, the amendment modifies the provision governing elected officers, directors, and committee members to clarify that while they may not be compensated for their service (current law), they may be reimbursed for necessary expenses incidental to performing official business for the credit union. |           |                                 |                      |
| <a href="#">Commerce Committee</a>                   | 21 Y, 0 N   | 3/31/2025 | Hamon                           | Herrera              |

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**THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.**  
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<sup>25</sup> National Credit Union Service Organization, *Florida Credit Unions*, available at [Florida Credit Unions](#) (last visited March 15, 2025).

<sup>26</sup> 2025 OFR Fast Facts at p. 4.

<sup>27</sup> S. [657.023\(1\), F.S.](#)

<sup>28</sup> S. [657.031\(3\), F.S.](#)

<sup>29</sup> Section [657.043\(2\), F.S.](#)

<sup>30</sup> Section [657.043, F.S.](#)

<sup>31</sup> The NCUA, *Risk-Based Capital Frequently Asked Questions: Is Prompt Corrective Action (PCA) for Credit Unions Changing with the Revised Capital Adequacy Standards?*, April 14, 2022, available at [Risk-Based Capital Frequently Asked Questions | NCUA](#) (last visited March 15, 2025).

