A bill to be entitled

An act relating to public depositories; amending s. 280.02, F.S.; revising definitions applicable to the Florida Security for Public Deposits Act; amending ss. 280.03, 280.052, 280.053, 280.07, 280.10, and 280.13, F.S.; conforming terminology to changes made by the act; amending s. 280.16, F.S.; revising credit union reporting requirements; amending s. 280.17, F.S.; revising evidence of insurance required to be submitted by a public depositor to the Chief Financial Officer; providing an effective date.

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

Section 1. Subsections (6), (9), (23), and (26) of section 280.02, Florida Statutes, are amended to read:

280.02 Definitions.—As used in this chapter, the term:

(6) "Capital account" means total equity capital, as defined on the balance-sheet portion of the Consolidated Reports of Condition and Income (call report), the National Credit Union Administration 5300 Call Report, or the Thrift Financial Report, less intangible assets, as submitted to the regulatory financial banking authority.

(9) "Custodian" means the Chief Financial Officer or any financial institution bank, savings association, or trust company that:

(a) Is organized and existing under the laws of this state, any other state, or the United States;
(b) Has executed all forms required under this chapter or any rule adopted hereunder;
(c) Agrees to be subject to the jurisdiction of the courts of this state, or of courts of the United States which are located within this state, for the purpose of any litigation arising out of this chapter; and
(d) Has been approved by the Chief Financial Officer to act as a custodian.

(23) "Public deposit" means the moneys of the state or of any state university, county, school district, community college district, special district, metropolitan government, or municipality, including agencies, boards, bureaus, commissions, and institutions of any of the foregoing, or of any court, and includes the moneys of all county officers, including constitutional officers, that are placed on deposit in a financial institution bank, savings bank, or savings association and for which the financial institution bank, savings bank, or savings association is required to maintain reserves. This includes, but is not limited to, time deposit accounts, demand deposit accounts, and nonnegotiable certificates of deposit. Moneys in deposit notes and in other nondeposit accounts such as repurchase or reverse repurchase operations are not public deposits. Securities, mutual funds, and similar types of investments are not considered public deposits and shall not be subject to the provisions of this chapter.

(26) "Qualified public depository" means any financial institution bank, savings bank, or savings association that:

(a) Is organized and exists under the laws of the United States;
States, the laws of this state, or the laws of any other state or territory of the United States.

(b) Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.

(c) Is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811 et seq.

(d) Has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits.

(e) Meets all the requirements of this chapter.

(f) Has been designated by the Chief Financial Officer as a qualified public depository.

Section 2. Paragraph (a) of subsection (3) of section 280.03, Florida Statutes, is amended to read:

280.03 Public deposits to be secured; prohibitions; exemptions.—

(3) The following are exempt from the requirements of, and protection under, this chapter:

(a) Public deposits deposited in a financial institution bank or savings association by a trust department or trust company which are fully secured under trust business laws.

Section 3. Subsection (1) of section 280.052, Florida Statutes, is amended to read:

280.052 Order of suspension or disqualification;
procedure.—

(1) The suspension or disqualification of a financial institution bank or savings association as a qualified public depository must be by order of the Chief Financial Officer and must be mailed to the qualified public depository by registered or certified mail.

Section 4. Paragraph (c) of subsection (1) and paragraph (c) of subsection (2) of section 280.053, Florida Statutes, are amended to read:

280.053 Period of suspension or disqualification; obligations during period; reinstatement.—

(1)

(c) Upon expiration of the suspension period, the financial institution bank or savings association may, by order of the Chief Financial Officer, be reinstated as a qualified public depository, unless the cause of the suspension has not been corrected or the financial institution bank or savings association is otherwise not in compliance with this chapter or any rule adopted pursuant to this chapter.

(2)

(c) Upon expiration of the disqualification period, the financial institution bank or savings association may reapply for qualification as a qualified public depository. If a disqualified financial institution bank or savings association is purchased or otherwise acquired by new owners, it may reapply to the Chief Financial Officer to be a qualified public depository prior to the expiration date of the disqualification period. Redesignation as a qualified public depository may occur
only after the Chief Financial Officer has determined that all
requirements for holding public deposits under the law have been
met.

Section 5. Section 280.07, Florida Statutes, is amended to
read:

280.07  Mutual responsibility and contingent liability.—Any
financial institution bank or savings association that is
designated as a qualified public depository and that is not
insolvent shall guarantee public depositors against loss caused
by the default or insolvency of other qualified public
depositories. Each qualified public depository shall execute a
form prescribed by the Chief Financial Officer for such
guarantee which shall be approved by the board of directors and
shall become an official record of the institution.

Section 6. Subsection (1) of section 280.10, Florida
Statutes, is amended to read:

280.10  Effect of merger, acquisition, or consolidation;
change of name or address.—

(1)  When a qualified public depository is merged into,
aquired by, or consolidated with a financial institution bank,
savings bank, or savings association that is not a qualified
public depository:

(a)  The resulting institution shall automatically become a
qualified public depository subject to the requirements of the
public deposits program.

(b)  The contingent liability of the former institution
shall be a liability of the resulting institution.

(c)  The public deposits and associated collateral of the
former institution shall be public deposits and collateral of the resulting institution.

(d) The resulting institution shall, within 90 calendar days after the effective date of the merger, acquisition, or consolidation, deliver to the Chief Financial Officer:

1. Documentation in its name as required for participation in the public deposits program; or

2. Written notice of intent to withdraw from the program as provided in s. 280.11 and a proposed effective date of withdrawal which shall be within 180 days after the effective date of the acquisition, merger, or consolidation of the former institution.

(e) If the resulting institution does not meet qualifications to become a qualified public depository or does not submit required documentation within 90 calendar days after the effective date of the merger, acquisition, or consolidation, the Chief Financial Officer shall initiate mandatory withdrawal actions as provided in s. 280.11 and shall set an effective date of withdrawal that is within 180 days after the effective date of the acquisition, merger, or consolidation of the former institution.

Section 7. Subsection (1) of section 280.13, Florida Statutes, is amended to read:

280.13 Eligible collateral.—

(1) Securities eligible to be pledged as collateral by qualified public depositories shall be limited to:

(a) Direct obligations of the United States Government.
(b) Obligations of any federal agency that are fully guaranteed as to payment of principal and interest by the United States Government.

(c) Obligations of the following federal agencies:
   1. Farm credit banks.
   3. The Federal Home Loan Bank and its district banks.
   5. The Federal Home Loan Mortgage Corporation.

(d) General obligations of a state of the United States, or of Puerto Rico, or of a political subdivision or municipality thereof.

(e) Obligations issued by the Florida State Board of Education under authority of the State Constitution or applicable statutes.

(f) Tax anticipation certificates or warrants of counties or municipalities having maturities not exceeding 1 year.

(g) Public housing authority obligations.

(h) Revenue bonds or certificates of a state of the United States or of a political subdivision or municipality thereof.

(i) Corporate bonds of any corporation that is not an affiliate or subsidiary of the qualified public depository.

Section 8. Paragraph (e) of subsection (1) of section 280.16, Florida Statutes, is amended to read:

280.16 Requirements of qualified public depositories;
(1) In addition to any other requirements specified in this chapter, qualified public depositories shall:

(e) Submit to the Chief Financial Officer not later than the date required to be filed with the federal agency:

1. A copy of the quarterly Consolidated Reports of Condition and Income, and any amended reports, required by the Federal Deposit Insurance Act, 12 U.S.C. ss. 1811 et seq., if such depository is a bank; or

2. A copy of the Thrift Financial Report, and any amended reports, required to be filed with the Office of Thrift Supervision if such depository is a savings and loan association; or

3. A copy of the National Credit Union Administration 5300 Call Report, and any amended reports, required to be filed with the National Credit Union Association if such depository is a credit union.

Section 9. Paragraph (b) of subsection (4) of section 280.17, Florida Statutes, is amended to read:

280.17 Requirements for public depositors; notice to public depositors and governmental units; loss of protection.—In addition to any other requirement specified in this chapter, public depositors shall comply with the following:

(4) Whenever public deposits are in a qualified public depository that has been declared to be in default or insolvent, each public depositor shall:

(b) Submit to the Chief Financial Officer for each public deposit, within 30 days after the date of official notification...
from the Chief Financial Officer, the following:

1. A claim form and agreement, as prescribed by the Chief Financial Officer, executed under oath, accompanied by proof of authority to execute the form on behalf of the public depositor.

2. A completed public deposit identification and acknowledgment form, as described in subsection (2).

3. Evidence of the insurance afforded the deposit pursuant to the Federal Deposit Insurance Act or the Federal Credit Union Act, as appropriate.

Section 10. This act shall take effect July 1, 2013.