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LEGISLATIVE ACTION

Senate

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House

The Committee on Banking and Insurance (Thurston) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (4) of section 658.21, Florida Statutes, is amended to read:

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

(4) The proposed officers have sufficient financial institution experience, ability, standing, and reputation and



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11 the proposed directors have sufficient business experience,
12 ability, standing, and reputation to indicate reasonable promise
13 of successful operation, and none of the proposed officers or
14 directors has been convicted of, or pled guilty or nolo
15 contendere to, any violation of s. 655.50, relating to the
16 control of money laundering and terrorist financing; chapter
17 896, relating to offenses related to financial institutions; or
18 similar state or federal law. At least two of the proposed
19 directors who are not also proposed officers must have had at
20 least 1 year of direct experience as an executive officer,
21 regulator, or director of a financial institution within the 5 ~~3~~
22 years before the date of the application. However, if the
23 applicant demonstrates that at least one of the proposed
24 directors has very substantial experience as an executive
25 officer, director, or regulator of a financial institution more
26 than 5 ~~3~~ years before the date of the application, the office
27 may modify the requirement and allow the applicant to have only
28 one director who has ~~to have~~ direct financial institution
29 experience within the last 5 ~~3~~ years. The proposed president or
30 chief executive officer must have had at least 1 year of direct
31 experience as an executive officer, director, or regulator of a
32 financial institution within the last 5 ~~3~~ years.

33 Section 2. Subsections (2) and (5) of section 658.33,
34 Florida Statutes, are amended to read:

35 658.33 Directors, number, qualifications; officers.-

36 (2) Not less than a majority of the directors must, during
37 their whole term of service, be citizens of the United States,
38 and at least a majority ~~three-fifths~~ of the directors must have
39 resided in this state for at least 1 year preceding their



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40 election and must be residents therein during their continuance
41 in office. In the case of a bank or trust company with total
42 assets of less than \$150 million, at least one, and in the case
43 of a bank or trust company with total assets of \$150 million or
44 more, two of the directors who are not also officers of the bank
45 or trust company must have had at least 1 year of direct
46 experience as an executive officer, regulator, or director of a
47 financial institution within the last 5 ~~3~~ years.

48 (5) The president, chief executive officer, or any other
49 person, regardless of title, who has equivalent rank or leads
50 the overall operations of a bank or trust company must have had
51 at least 1 year of direct experience as an executive officer,
52 director, or regulator of a financial institution within the
53 last 5 ~~3~~ years. This requirement may be waived by the office
54 after considering the overall experience and expertise of the
55 proposed officer and the condition of the bank or trust company,
56 as reflected in the most recent regulatory examination report
57 and other available data.

58 Section 3. Subsection (6) of section 658.67, Florida
59 Statutes, is amended to read:

60 658.67 Investment powers and limitations.—A bank may invest
61 its funds, and a trust company may invest its corporate funds,
62 subject to the following definitions, restrictions, and
63 limitations:

64 (6) INVESTMENTS IN CORPORATIONS AND OTHER ENTITIES.—Except
65 as limited or prohibited by federal law, ~~Up to an aggregate of~~
66 ~~10 percent of the total assets of a bank may invest~~ be invested
67 in the stock, obligations, and ~~or~~ other securities of subsidiary
68 corporations and affiliates. The aggregate of such investments



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69 ~~may not exceed 10 percent of the total assets of the bank. or~~
70 ~~other corporations or entities, except as limited or prohibited~~
71 ~~by federal law, and except that~~ During the first 3 years of
72 existence of a bank, such investments are limited to 5 percent
73 of the total assets of the bank. The commission by rule, or the
74 office by order, may further limit any type of investment made
75 pursuant to this subsection if it finds that such investment
76 would constitute an unsafe or unsound practice.

77 Section 4. This act shall take effect July 1, 2018.

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

80 And the title is amended as follows:

81 Delete everything before the enacting clause
82 and insert:

83 A bill to be entitled
84 An act relating to governance of banks and trust
85 companies; amending s. 658.21, F.S.; revising
86 requirements relating to the financial institution
87 experience of certain proposed directors and officers
88 of a proposed bank or trust company; amending s.
89 658.33, F.S.; revising the residency requirement for
90 certain directors of a bank or trust company; revising
91 requirements relating to the financial institution
92 experience of certain officers of a bank or trust
93 company; amending s. 658.67, F.S.; revising instances
94 during which a bank may not own certain stock,
95 obligations, and other securities; providing an
96 effective date.