

By Senator Thurston

33-00614-18

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1                   A bill to be entitled  
2       An act relating to governance of banks and trust  
3       companies; amending s. 658.21, F.S.; revising  
4       requirements relating to the financial institution  
5       experience of certain proposed directors and officers  
6       of a proposed bank or trust company; amending s.  
7       658.33, F.S.; revising applicability of the residency  
8       requirement for directors of a bank or trust company;  
9       revising requirements relating to the financial  
10      institution experience of certain officers of a bank  
11      or trust company; amending s. 658.67, F.S.; revising a  
12      limitation on investments by banks in corporations;  
13      providing an effective date.

14  
15 Be It Enacted by the Legislature of the State of Florida:

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

19       658.21 Approval of application; findings required.—The  
20       office shall approve the application if it finds that:

21       (4) The proposed officers have sufficient financial  
22       institution experience, ability, standing, and reputation and  
23       the proposed directors have sufficient business experience,  
24       ability, standing, and reputation to indicate reasonable promise  
25       of successful operation, and none of the proposed officers or  
26       directors has been convicted of, or pled guilty or nolo  
27       contendere to, any violation of s. 655.50, relating to the  
28       control of money laundering and terrorist financing; chapter  
29       896, relating to offenses related to financial institutions; or

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30 similar state or federal law. At least two of the proposed  
31 directors who are not also proposed officers must have had at  
32 least 1 year direct experience as an executive officer,  
33 regulator, or director of a financial institution within the 5 ~~3~~  
34 years before the date of the application. However, if the  
35 applicant demonstrates that at least one of the proposed  
36 directors has very substantial experience as an executive  
37 officer, director, or regulator of a financial institution more  
38 than 5 ~~3~~ years before the date of the application, the office  
39 may modify the requirement and allow only one director to have  
40 direct financial institution experience within the last 5 ~~3~~  
41 years. The proposed president or chief executive officer must  
42 have had at least 1 year of direct experience as an executive  
43 officer, director, or regulator of a financial institution  
44 within the last 5 ~~3~~ years.

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

47 658.33 Directors, number, qualifications; officers.—

48 (2) Not less than a majority of the directors must, during  
49 their whole term of service, be citizens of the United States,  
50 and at least a majority ~~three-fifths~~ of the directors must have  
51 resided in this state for at least 1 year preceding their  
52 election and must be residents therein during their continuance  
53 in office. In the case of a bank or trust company with total  
54 assets of less than \$150 million, at least one, and in the case  
55 of a bank or trust company with total assets of \$150 million or  
56 more, two of the directors who are not also officers of the bank  
57 or trust company must have had at least 1 year of direct  
58 experience as an executive officer, regulator, or director of a

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59 financial institution within the last 5 ~~3~~ years.

60 (5) The president, chief executive officer, or any other  
61 person, regardless of title, who has equivalent rank or leads  
62 the overall operations of a bank or trust company must have had  
63 at least 1 year of direct experience as an executive officer,  
64 director, or regulator of a financial institution within the  
65 last 5 ~~3~~ years. This requirement may be waived by the office  
66 after considering the overall experience and expertise of the  
67 proposed officer and the condition of the bank or trust company,  
68 as reflected in the most recent regulatory examination report  
69 and other available data.

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

72 658.67 Investment powers and limitations.—A bank may invest  
73 its funds, and a trust company may invest its corporate funds,  
74 subject to the following definitions, restrictions, and  
75 limitations:

76 (6) INVESTMENTS IN CORPORATIONS.—~~Up to an aggregate of 10~~  
77 ~~percent of the total assets of~~ A bank may not own ~~be invested in~~  
78 ~~the~~ stock, obligations, or other securities issued by an  
79 individual corporation or entity which have an aggregate par  
80 value greater than 10 percent of the total assets of such bank  
81 ~~of subsidiary corporations or other corporations or entities,~~  
82 except as limited or prohibited by federal law, and except that  
83 during the first 3 years of existence of a bank, such  
84 investments are limited to 5 percent of the total assets. The  
85 commission by rule, or the office by order, may further limit  
86 any type of investment made pursuant to this subsection if it  
87 finds that such investment would constitute an unsafe or unsound

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88 practice.

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