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CS/CS/HB 455

2018 Legislature

1  
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 the residency requirement for  
8 certain directors of a bank or trust company; revising  
9 requirements relating to the financial institution  
10 experience of certain officers of a bank or trust  
11 company; amending s. 658.67, F.S.; revising instances  
12 during which a bank may not own certain stock,  
13 obligations, and other securities; providing an  
14 effective date.

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

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

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

22 (4) The proposed officers have sufficient financial  
23 institution experience, ability, standing, and reputation and  
24 the proposed directors have sufficient business experience,  
25 ability, standing, and reputation to indicate reasonable promise

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26 | of successful operation, and none of the proposed officers or  
27 | directors has been convicted of, or pled guilty or nolo  
28 | contendere to, any violation of s. 655.50, relating to the  
29 | control of money laundering and terrorist financing; chapter  
30 | 896, relating to offenses related to financial institutions; or  
31 | similar state or federal law. At least two of the proposed  
32 | directors who are not also proposed officers must have had at  
33 | least 1 year of direct experience as an executive officer,  
34 | regulator, or director of a financial institution within the 5 ~~3~~  
35 | years before the date of the application. However, if the  
36 | applicant demonstrates that at least one of the proposed  
37 | directors has very substantial experience as an executive  
38 | officer, director, or regulator of a financial institution more  
39 | than 5 ~~3~~ years before the date of the application, the office  
40 | may modify the requirement and allow the applicant to have only  
41 | one director who has ~~to have~~ direct financial institution  
42 | experience within the last 5 ~~3~~ years. The proposed president or  
43 | chief executive officer must have had at least 1 year of direct  
44 | experience as an executive officer, director, or regulator of a  
45 | financial institution within the last 5 ~~3~~ years.

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

48 | 658.33 Directors, number, qualifications; officers.—

49 | (2) Not less than a majority of the directors must, during  
50 | their whole term of service, be citizens of the United States,

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51 and at least a majority ~~three-fifths~~ of the directors must have  
52 resided in this state for at least 1 year preceding their  
53 election and must be residents therein during their continuance  
54 in office. In the case of a bank or trust company with total  
55 assets of less than \$150 million, at least one, and in the case  
56 of a bank or trust company with total assets of \$150 million or  
57 more, two of the directors who are not also officers of the bank  
58 or trust company must have had at least 1 year of direct  
59 experience as an executive officer, regulator, or director of a  
60 financial institution within the last 5 ~~3~~ years.

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

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

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

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76 limitations:

77 (6) INVESTMENTS IN SUBSIDIARY CORPORATIONS AND  
78 AFFILIATES.~~Except as limited or prohibited by federal law, Up~~  
79 ~~to an aggregate of 10 percent of the total assets of a bank may~~  
80 invest ~~be invested~~ in the stock, obligations, and ~~or~~ other  
81 securities of subsidiary corporations and affiliates. The  
82 aggregate of such investments may not exceed 10 percent of the  
83 total assets of the bank. ~~or other corporations or entities,~~  
84 ~~except as limited or prohibited by federal law, and except that~~  
85 During the first 3 years of existence of a bank, such  
86 investments are limited to 5 percent of the total assets of the  
87 bank. The commission by rule, or the office by order, may  
88 further limit any type of investment made pursuant to this  
89 subsection if it finds that such investment would constitute an  
90 unsafe or unsound practice.

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