1988

Session Law 88-201

Florida Senate & House of Representatives

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1988

SB 955
1102
1318

HB 1043

1988

18/1745
18/1689
18/1686

19/1734
19/1820

19/1878

Subject: All Bar. Order
Mtg Bar. Fr. 4/20/88
Bill
the definition of the term "banking credit" includes a Florida export finance corporation's non-development block grant programs.

(2) Whenever Title III authorizes an owner or operator to elect to withhold from disclosure the location of specific hazardous chemicals, such information shall not be subject to the Open Government Sunset Review Act in accordance with s. 119.14.

(1) All information, including, but not limited to, site plans and specific location information on hazardous chemicals furnished to a fire department pursuant to Title III, this part shall not be subject to the provisions of s. 119.07 while in the possession of the fire department. However, this exemption from the provisions of s. 119.07 is subject to the Open Government Sunset Review Act in accordance with s. 119.14.

(4) The department, the commission, and the committees shall furnish copies of public records submitted under Title III of this part, and may charge a fee of $1 per page per person per year for over 25 pages of materials copied.

259.89 Tort liability.--The commission and the committees shall be state agencies and the members of the commission and committees, shall not be liable, employees, or agents of the state for the purpose of s. 768.28.

Section 2. Loan start-up costs.--Money, as necessary, for the purpose of paying all start-up costs relating to the operation of the program during the period ending June 30, 1989, shall be transferred in accordance with section 215.18, Florida Statutes, in the Hazardous Materials Administration Trust Fund in the Department of Environmental Affairs.

The department shall repay such funds from moneys received in fees under this act. However, section 215.18, Florida Statutes, in the context of repaying the department for such funds up to 16 months after July 1, 1988, the department shall repay the loan funds within each fiscal year by transferring pursuant to section 215.18, Florida Statutes, and excess fee revenues necessary to support the funds necessary to own expenditures authorized in the General Appropriations Act for the following fiscal year.

Section 3. This act shall take effect July 1, 1988, or upon becoming a law, whichever occurs later.

Approved by the Governor July 1, 1988.

Filed in Office Secretary of State July 1, 1988.

An act relating to economic development, creating the Florida Economic Development Corporation, amending s. 290.101, F.S., relating to evaluation and limitation on receipt of administrative sanctions, amending s. 290.102, F.S., providing for the Solicitation of prospective financial statements and fees, and providing for operations and surrender of license 290.016, F.S., and increasing the maximum number of directors; creating the Florida Economic Growth and International Development Commission, providing legislative intent; providing for membership; providing powers and duties; authorizing the employment of an executive director and staff; providing for travel reimbursement and per diem; providing for appointment of committee, providing for reporting, and providing administrative funding, selling the future repeal, and relating thereto.

An act relating to economic development, creating the Florida Economic Development Corporation, amending s. 290.101, F.S., relating to evaluation and limitation on receipt of administrative sanctions, amending s. 290.102, F.S., providing for the Solicitation of prospective financial statements and fees, and providing for operations and surrender of license 290.016, F.S., and increasing the maximum number of directors; creating the Florida Economic Growth and International Development Commission, providing legislative intent; providing for membership; providing powers and duties; authorizing the employment of an executive director and staff; providing for travel reimbursement and per diem; providing for appointment of committee, providing for reporting, and providing administrative funding, selling the future repeal, and relating thereto.
section 290.005 and approved by the secretary pursuant to s. 290.006 and who is not a resident of an enterprise zone approved pursuant to s. 290.006 shall continue to be eligible for the credit authorized in this section for the full time period prescribed in paragraphs (1)(a) and (b), notwithstanding the expiration date contained in s. 290.006(5). The provisions of paragraph (1)(c) as it existed on December 1, 1986 shall not be applicable to such employees.

Section 31. The Department of State shall not participate in and shall not encourage any sister city relationship with any country or nation specified in section 620(f)(1) of the Federal Foreign Assistance Act of 1961, as amended, Angola, Mozambique, Nicaragua, or South Africa.

Section 12. Subsection (1) of section 290.008, Florida Statutes, is amended to read:

290.008 Federal enterprise zone programs, application.--

(1) Upon enactment of enterprise zone legislation by the Congress of the United States and approval by the President of the United States, the department shall prepare and submit, in a timely fashion, all information and forms necessary to permit eligible enterprise zones approved pursuant to ss. 290.006-290.0086 to be considered as eligible areas under any similar federal program.

Section 13. Subsection (8) of section 1 of chapter 86-116, Laws of Florida, as amended by chapter 87-251, Laws of Florida, is amended to read:

1142

(8) The provisions of this section shall expire on June 30, 1989.

Section 34. (1) There is hereby created the International Banking and Trade Study Commission which shall be composed of 15 members, including the Comptroller or his designee and the Secretary of Commerce or his designee, both of whom shall serve ex officio as voting members of the commission, and the following additional members to be appointed by the Governor unless otherwise designated:

(a) Four citizens actively engaged in the international banking industry.

(b) Two citizens actively engaged in the banking industry.

(c) One citizen actively engaged in a small business operation which is involved in international trade.

(d) One faculty member of a graduate teaching institution who is trained in international business or finance.

(e) One member of the legal profession actively involved in the practice of international banking and commerce.

(f) One member of the Florida House of Representatives, to be appointed by the Speaker of the House of Representatives.
CHAPTER C0mmPro1al Service of thP United States DepartmProce.

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requ1r"d cler1cAl and administrative functions of the commission.

1QA8, and shall cont1nue tn existence until 1ts dut1ec; are concl11ded,

(1) One tr•de spec1al1st from the United States and Foreign

and ma king spec1f1c program, leq1slat1ve, and funding recommendations

and

(2) The members of the cnmm1ssuJn shall selPrt a chairm,1n tr_,

(3) The members of the commission shall serve without

compensation, but shall be reimbursed for all necessary expenses in

the performance of their duties, including travel expenses, in

accordance with s. 117.061, Florida Statutes.

(4) The commission shall be appointed no later than August 1,

1988, and shall continue in existence until its duties are concluded,

but no later than June 30, 1990.

(5) The Department of Banking and Finance shall supply such

information, assistance, and facilities as are deemed necessary for

the commission to carry out its duties under this section and shall

provide such staff assistance as is necessary for the performance of

required clerical and administrative functions of the commission.

(6) The commission is charged with

(a) Analyzing current state banking laws and rules as they relate
to international banking.

(b) Assessing whether economic growth in the area of

international trade is being impeded by current state banking laws

and rules.

(c) Assessing the particular needs of the state's small business

community in relation to how international banking laws can assist in

the promotion of foreign trade activities.

(d) Suggesting changes, if necessary, in state banking laws which

will encourage a positive working relationship between Florida

businesses and international banking operations.

(e) Ensuring that any suggested revisions protect the safety and

soundness of banking operations in Florida and ascertaining how state

banking operations could be changed to better meet the needs of

international banking organizations while continuing to ensure safety

and soundness of the institutions.

(7) The commission shall prepare and submit to the Governor, the

President of the Senate, and the Speaker of the House of

Representatives:

(a) By March 1, 1989, an interim report describing its progress, and

(b) By December 31, 1989, a final report detailing its findings

and making specific program, legislative, and funding recommendations

and any other recommendations it deems appropriate.

1144
A bill to be entitled

An act relating to banking; creating the
International Banking and Trade Study
Commission; providing for appointment of
members, providing for reimbursement of
expenses; providing for termination of the
commission; providing for administrative
support of the Department of Banking and
Finance; providing duties of the commission;
requiring reports to the Governor and
Legislature; providing an effective date.

WHEREAS, the Legislature supports enhancing Florida's
role as a center for international banking and trade, and
WHEREAS, international banking facilities have been
operating successfully in this state for many years, have
proven themselves to be good corporate citizens, and have
contributed positively to the state's overall economy and,
more specifically, its employment picture, and
WHEREAS, international banking organizations are
recognized as being a primary resource for international trade
and finance information and are known for possessing the
experience, knowledge, and skills necessary to conduct even
the most complex of foreign commercial transactions, and
WHEREAS, the sophistication and growth of Florida's
economy has advanced so rapidly in the past decade that an
assessment of the state international banking laws is
warranted, and
WHEREAS, revisions to the banking code which will
encourage further economic growth while continuing to ensure

CODING: Words stricken are deletions; words underlined are additions.
the safety and soundness of international banking operations
should be considered, NOW, THEREFORE,

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

Section 1. (1) There is hereby created the
International Banking and Trade Study Commission which shall
be composed of 15 members, including the Comptroller or his
designee and the Secretary of Commerce or his designee, both
of whom shall serve ex officio as voting members of the
commission, and the following additional members to be
appointed by the Governor unless otherwise designated:

(a) Four citizens actively engaged in the
international banking industry.

(b) Two citizens actively engaged in the banking
industry.

(c) One citizen actively engaged in a small business
operation which is involved in international trade.

(d) One faculty member of a graduate teaching
institution who is trained in international business or
finance.

(e) One member of the legal profession actively
involved in the practice of international banking and
commerce.

(f) One member of the Florida House of
Representatives, to be appointed by the Speaker of the House
of Representatives.

(g) One member of the Florida Senate, to be appointed
by the President of the Senate.

(h) One member of the Florida Brokers and Forwarders
Association.

CODING: Words stricken are deletions; words underlined are additions.
(1) One trade specialist from the United States and Foreign Commercial Service of the United States Department of Commerce.

(2) The members of the commission shall select a chairman to serve for the life of the commission.

(3) The members of the commission shall serve without compensation, but shall be reimbursed for all necessary expenses in the performance of their duties, including travel expenses, in accordance with s. 112.061, Florida Statutes.

(4) The commission shall be appointed no later than August 1, 1988, and shall continue in existence until its duties are concluded, but no later than June 30, 1990.

(5) The Department of Banking and Finance shall supply such information, assistance, and facilities as are deemed necessary for the commission to carry out its duties under this section and shall provide such staff assistance as is necessary for the performance of required clerical and administrative functions of the commission.

(6) The commission is charged with:

(a) Analyzing current state banking laws and rules as they relate to international banking.

(b) Assessing whether economic growth in the area of international trade is being impeded by current state banking laws and rules.

(c) Assessing the particular needs of the state's small business community in relation to how international banking laws can assist in the promotion of foreign trade activities.

(d) Suggesting changes, if necessary, in state banking laws which will encourage a positive working relationship

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between Florida businesses and international banking operations.

(e) Ensuring that any suggested revisions protect the safety and soundness of banking operations in Florida and ascertaining how state banking operations could be changed to better meet the needs of international banking facilities while continuing to ensure safety and soundness of the institutions.

(7) The commission shall prepare and submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives:

(a) By March 1, 1989, an interim report describing its progress; and

(b) By December 31, 1989, a final report detailing its findings and making specific program, legislative, and funding recommendations and any other recommendations it deems appropriate.

Section 2. This act shall take effect upon becoming a law.

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HOUSE SUMMARY

Creates the International Banking and Trade Study Commission. Provides for appointment of members. Provides for reimbursement of expenses. Provides for administrative support of the commission by the Department of Banking and Finance. Provides duties of the commission, including analysis of the operation of the state's banking laws and the needs of the state's business community, as they relate to international banking. Requires reports to the Governor and Legislature. Provides for termination of the commission by June 30, 1990

CODING: Words strucken are deletions; words underlined are additions.
I. SUMMARY:

House Bill 1043 creates a 15 member International Banking Study Commission, charged with assessing the need for revision of the International Banking Code in light of current economic and trade conditions in the state.

A. PRESENT SITUATION:

International banking corporations, i.e., banks organized and licensed under the laws of a foreign country, are governed by Chapter 663, Florida Statutes, and subject to certain prescribed provisions of Chapters 655 and 658. International banks must be licensed by the Department of Banking and Finance (department), maintain records for periodic examination, and make reports of assets, liabilities and other information deemed pertinent by the department. They may not take domestic deposits from individuals, but may make domestic loans. Foreign individuals may purchase state and federally chartered international banking corporations and foreign banking corporations may purchase federally chartered international banks, but not state chartered institutions. Subject to these laws and regulations, international banks may transact any banking business state banks are authorized to transact.

B. EFFECT OF PROPOSED CHANGES:

House Bill 1043 creates the International Banking and Trade Study Commission (Commission), composed of 15 members, including international bankers, domestic bankers, a banking attorney, a banking professor, a U.S. trade specialist, international trade business persons, legislators, the Secretary of Commerce, and the Comptroller.
The Commission is charged with analyzing state international and domestic banking laws relative to international banking and trade and assessing whether or not they need revision. Such determination would be based on an assessment of whether or not current laws and rules impede economic growth in the field of international trade and the particular needs of the small business community vis a vis foreign trade. Any suggested changes would have to result in laws that would encourage a positive working relationship between Florida businesses and international banking operations and continue to protect the safety and soundness of banking operations.

The Commission would have to make an interim report to the Governor by March 1, 1989 and a final report by December 31, 1989. The report must include program, legislative, and funding recommendations. The Commission would dissolve when it concludes its duties, but not later than June 30, 1990.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

   Commission members would be entitled to travel and reimbursement for travel expenses. The exact amount would depend on how often the Commission met, for how long, and where. Also, Commission members may decline reimbursement on occasion. The maximum life of the Commission is slightly less than 2 years (24 months).

   The department indicates that it could provide administrative and clerical support to the Commission by reassigning existing personnel and contracting with other resources. Cost of providing this support would be $25,000 in FY 88-89 and $15,000 in FY 89-90.

2. Recurring or Annualized Continuation Effects:

   None.

3. Long Run Effects Other Than Normal Growth:

   None.

4. Appropriations Consequences:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

   None.

2. Recurring or Annualized Continuation Effects:
3. Long Run Effects Other Than Normal Growth:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:
1. Direct Private Sector Costs:
None.
2. Direct Private Sector Benefits:
None.
3. Effects on Competition, Private Enterprise, and Employment Markets:
None.

D. FISCAL COMMENTS:
None.

III. LONG RANGE CONSEQUENCES:
Findings and recommendations of the Commission may engender statutory, programmatic or regulatory changes that could result in strengthening Florida's position as a center for international trade and finance.

IV. COMMENTS:
None.

V. AMENDMENTS:
None.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by: Ivy Cream Harris

FINANCE & TAXATION:
Prepared by:

Staff Director: H. Fred Varn

STANDARD FORM 3/88
I. SUMMARY:

Proposed Committee Substitute for House Bill 1043 (PCS/HB 1043) creates a 15 member International Banking Study Commission, charged with assessing the need for revision of the International Banking Code in light of current economic and trade conditions in the state. Additionally, it extends the period of validity for international banking corporation licenses and authorizes administrative procedures for voluntary surrender of a license.

A. PRESENT SITUATION:

International banking corporations, i.e., banks organized and licensed under the laws of a foreign country, are governed by Chapter 663, Florida Statutes, and subject to certain prescribed provisions of Chapters 655 and 658, F.S. International banks must be licensed by the Department of Banking and Finance (department), maintain records for periodic examination and make reports of assets, liabilities and other information deemed pertinent by the department. They may not take domestic deposits from individuals, but may make domestic loans.

A license for an international banking corporation to operate an international bank agency or representative office is valid for one year. Renewal fees are prescribed by statute. There are currently no laws governing the voluntary surrender of a license by an international banking corporation. Emergency-type rules were promulgated recently when the situation presented itself and the department was cited for having no statutory authority to take such action.

Foreign individuals may purchase state and federally chartered international banking corporations and foreign banking corporations may purchase federally chartered international banks, but not state chartered
institutions. Subject to these laws and regulations, international banks may transact any banking business state banks are authorized to transact.

B. EFFECT OF PROPOSED CHANGES:

PCS/HB 1043 creates the International Banking and Trade Study Commission (Commission), composed of 15 members, including international bankers, domestic bankers, a banking attorney, a banking professor, a U.S. trade specialist, international trade business persons, legislators, the Secretary of Commerce, and the Comptroller.

The Commission is charged with analyzing state international and domestic banking laws relative to international banking and trade and assessing whether or not they need revision. Such determination would be based on an assessment of whether current laws and rules impede economic growth in the field of international trade and the particular needs of the small business community vis a vis foreign trade. Any suggested changes would have to result in laws that would encourage a positive working relationship between Florida businesses and international banking operations and continue to protect the safety and soundness of banking operations.

The Commission would have to make an interim report to the Governor by March 1, 1989 and a final report by December 31, 1989. The report must include program, legislative, and funding recommendations. The Commission would dissolve when it concludes its duties, but not later than June 30, 1990.

The bill also makes provision for an international banking corporation to obtain a license to operate indefinitely. The decision to issue such license would be made by the department if it finds that the corporation has satisfied the requirements for renewal of its license and has held a license for the previous three years. Such license would still be subject to suspension or revocation. The corporation would still have to file annual financial statements and pay annual fees equal to the current amount of renewal fees.

Authorization is included in the bill for the department to promulgate rules to handle the voluntary surrender of a license by an international banking corporation.

Some housekeeping language is in the bill clarifying that there are three types of international banking entities which may be licensed by an international banking corporation. They are an international bank agency, a representative office, and an administrative office.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:
1. **Non-recurring or First Year Start-Up Effects:**

Commission members would be entitled to travel and reimbursement for travel expenses. The exact amount would depend on how often the Commission met, for how long, and where. Also, Commission members may decline reimbursement on occasion. The maximum life of the Commission is slightly less than two years (24 months).

The Department of Banking and Finance indicates that it could provide administrative and clerical support to the Commission by reassigning existing personnel and contracting with other resources. Cost of providing this support would be $25,000 in FY 88-89 and $15,000 in FY 89-90.

2. **Recurring or Annualized Continuation Effects:**

As the international banking corporations would still be required to pay an annual fee, the bill is revenue neutral.

3. **Long Run Effects Other Than Normal Growth:**

None.

4. **Appropriations Consequences:**

None.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. **Non-recurring or First Year Start-Up Effects:**

None.

2. **Recurring or Annualized Continuation Effects:**

None.

3. **Long Run Effects Other Than Normal Growth:**

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

1. **Direct Private Sector Costs:**

None.

2. **Direct Private Sector Benefits:**

None.
3. Effects on Competition, Private Enterprise, and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

III. LONG RANGE CONSEQUENCES:

Findings and recommendations of the Commission may engender statutory, programmatic or regulatory changes that could result in strengthening Florida's position as a center for international trade and finance.

IV. COMMENTS:

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN THE COMMITTEE SUBSTITUTE

The original bill only provided for establishment of the International Banking Study Commission. The PCS incorporates the additional language dealing with extension of the license period, procedures for voluntary surrender of a license, and a few statutory housekeeping references.

V. AMENDMENTS:

None.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by: Ivy Cream Harris

Staff Director: H. Fred Varn

FINANCE & TAXATION:
Prepared by:

Staff Director:

APPROPRIATIONS:
Prepared by:

Staff Director:

STANDARD FORM 3/88
A bill to be entitled

An act relating to banking; creating the
International Banking and Trade Study
Commission; providing for appointment of
members; providing for reimbursement of
expenses; providing for termination of the
commission; providing for administrative
support of the Department of Banking and
Finance; providing duties of the commission;
requiring reports to the Governor and
Legislature; amending s. 663.06, F.S.;
authorizing the department to extend the period
for which an international banking corporation
license to operate an international bank
agency, representative office, or
administrative office is valid; requiring
annual financial statements and fees; providing
for termination of operations and surrender of
license; providing an effective date.

WHEREAS, the Legislature supports enhancing Florida's
role as a center for international banking and trade, and
WHEREAS, international banking organizations have been
operating successfully in this state for many years, have
proven themselves to be good corporate citizens, and have
contributed positively to the state's overall economy and,
more specifically, its employment picture, and
WHEREAS, international banking organizations are
recognized as being a primary resource for international trade
and finance information and are known for possessing the

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experience, knowledge, and skills necessary to conduct even
the most complex of foreign commercial transactions, and

WHEREAS, the sophistication and growth of Florida's
economy has advanced so rapidly in the past decade that an
assessment of the state international banking laws is
warranted, and

WHEREAS, revisions to the banking code which will
encourage further economic growth while continuing to ensure
the safety and soundness of international banking operations
should be considered, NOW, THEREFORE,

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

Section 1. (1) There is hereby created the
International Banking and Trade Study Commission which shall
be composed of 15 members, including the Comptroller or his
designee and the Secretary of Commerce or his designee, both
of whom shall serve ex officio as voting members of the
commission, and the following additional members to be
appointed by the Governor unless otherwise designated:

(a) Four citizens actively engaged in the
international banking industry.

(b) Two citizens actively engaged in the banking
industry.

(c) One citizen actively engaged in a small business
operation which is involved in international trade.

(d) One faculty member of a graduate teaching
institution who is trained in international business or
finance.

CODING: Words struck are deletions; words underlined are additions.
One member of the legal profession actively involved in the practice of international banking and 

commerce.

One member of the Florida House of Representatives, to be appointed by the Speaker of the House of Representatives.

One member of the Florida Senate, to be appointed by the President of the Senate.

One citizen actively engaged in customs brokering and freight forwarding.

One trade specialist from the United States and Foreign Commercial Service of the United States Department of Commerce.

The members of the commission shall select a chairman to serve for the life of the commission.

The members of the commission shall serve without compensation, but shall be reimbursed for all necessary expenses in the performance of their duties, including travel expenses, in accordance with s. 112.061, Florida Statutes.

The commission shall be appointed no later than August 1, 1988, and shall continue in existence until its duties are concluded, but no later than June 30, 1990.

The Department of Banking and Finance shall supply such information, assistance, and facilities as are deemed necessary for the commission to carry out its duties under this section and shall provide such staff assistance as is necessary for the performance of required clerical and administrative functions of the commission.

The commission is charged with:

Analyzing current state banking laws and rules as they relate to international banking.
(b) Assessing whether economic growth in the area of international trade is being impeded by current state banking laws and rules.

(c) Assessing the particular needs of the state's small business community in relation to how international banking laws can assist in the promotion of foreign trade activities.

(d) Suggesting changes, if necessary, in state banking laws which will encourage a positive working relationship between Florida businesses and international banking operations.

(e) Ensuring that any suggested revisions protect the safety and soundness of banking operations in Florida and ascertaining how state banking operations could be changed to better meet the needs of international banking organizations while continuing to ensure safety and soundness of the institutions.

(7) The commission shall prepare and submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives:

(a) By March 1, 1989, an interim report describing its progress; and

(b) By December 31, 1989, a final report detailing its findings and making specific program, legislative, and funding recommendations and any other recommendations it deems appropriate.

Section 2. Subsections (1), (2), and (3) of section 663.06, Florida Statutes, are amended, subsections (4) through (8) are renumbered as subsections (6) through (10), respectively, and new subsections (3) and (4) are added to said section, to read:

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663.06 Licenses; permissible activities.--

(1) An international banking corporation licensed to operate an international bank agency, representative office, or administrative office when the department has issued a license to any international banking corporation to operate an international bank agency or representative office, or licensed may engage in the business authorized by ss. 663.01-663.14 at the office specified in such license for such period as is provided in subsection (2) or subsection (3) a-period not exceeding 1-year suspended or revoked. No international bank agency or representative office, or administrative office may have more than one place of doing business; but nothing in this section or elsewhere in the Florida Statutes shall be construed to prevent an international banking corporation from operating more than one international bank agency or representative office, each at a different place of business, provided each such agency or representative office is separately licensed.

No license to operate an international bank agency, or representative office, or administrative office is transferable or assignable. Every such license shall be, at all times, conspicuously displayed in the place of business specified therein.

(2) Except as provided in subsection (3), a license to operate an international bank agency, representative office, or administrative office shall be valid for a period of 1 year, unless such license is suspended or revoked sooner pursuant to subsection (5). Such license may be renewed annually upon application to the department, upon forms available for that purpose, within 30 days prior to the CODING: Words stricken are deletions; words underlined are additions.
expiration of the license. Such license may be renewed by the
department, in its discretion, upon its determination, with or
without examination, that the international banking
corporation is in a safe and sound condition and has complied
with all requirements of law with respect to the international
bank agency, representative office, or administrative office;
that such renewal of the license will not be detrimental to
the public interest; and that the renewal has been duly
authorized by proper corporate action. Each application for
renewal of an international bank agency license shall be
accompanied by an annual renewal fee of $500.

(3) Notwithstanding the provisions of subsection (2),
the department may, in its discretion, issue a license for an
indefinite period if it finds that the international banking
corporation has satisfied the requirements for renewal of its
license and has held a license for the previous 3 years. A
license issued for an indefinite period shall be valid without
renewal unless suspended or revoked pursuant to subsection
(5). An international banking corporation that is granted a
license for an indefinite period shall file with the
department such annual financial statements as the department
may require and shall pay an annual fee equal to the annual
renewal fee for each license held by the international banking
corporation. Such annual fee shall be paid in January of each
year.

(4) An international banking corporation which
proposes to terminate the operations of its international bank
agency, representative office, or administrative office shall
comply with such procedures as the department may prescribe by
rule to ensure an orderly cessation of business in a manner

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which is not harmful to the public interest and shall surrender its license to the department.

(5) An international bank agency, representative, office, or administrative office such license may be suspended or revoked by the department, with or without examination, upon its determination that the international banking corporation does not meet all requirements for original licensing or any of the criteria established by subsection (2) for renewal of a license.

Section 3. This act shall take effect upon becoming a law.

CODING: Words stricken are deletions; words underlined are additions.
Bill #: CS/HB 1043

relating to: International Banking & Trade Study

Sponsor(s): Commerce & Representative Burke

Effective Date: Upon becoming law

Companion Bill(s): Identical S1318

Other Committees of Reference: (1) Appropriations

(2) 

I. Summary:

Committee Substitute for House Bill 1043 creates a 15 member International Banking Study Commission, charged with assessing the need for revision of the International Banking Code in light of current economic and trade conditions in the state. Additionally, it extends the period of validity for international banking corporation licenses and authorizes administrative procedures for voluntary surrender of a license.

A. Present Situation:

International banking corporations, i.e., banks organized and licensed under the laws of a foreign country, are governed by Chapter 663, Florida Statutes, and subject to certain prescribed provisions of Chapters 655 and 658, F.S. International banks must be licensed by the Department of Banking and Finance (department), maintain records for periodic examination and make reports of assets, liabilities and other information deemed pertinent by the department. They may not take domestic deposits from individuals, but may make domestic loans.

A license for an international banking corporation to operate an international bank agency or representative office is valid for one year. Renewal fees are prescribed by statute. There are currently no laws governing the voluntary surrender of a license by an international banking corporation. Emergency-type rules were promulgated recently when the situation presented itself and the department was cited for having no statutory authority to take such action.

Foreign individuals may purchase state and federally chartered international banking corporations and foreign banking corporations may purchase federally chartered international banks, but not state chartered
institutions. Subject to these laws and regulations, international banks may transact any banking business state banks are authorized to transact.

B. EFFECT OF PROPOSED CHANGES:

CS/HB 1043 creates the International Banking and Trade Study Commission (Commission), composed of 15 members, including international bankers, domestic bankers, a banking attorney, a banking professor, a U.S. trade specialist, international trade business persons, legislators, the Secretary of Commerce, and the Comptroller.

The Commission is charged with analyzing state international and domestic banking laws relative to international banking and trade and assessing whether or not they need revision. Such determination would be based on an assessment of whether or not current laws and rules impede economic growth in the field of international trade and the particular needs of the small business community vis a vis foreign trade. Any suggested changes would have to be those that would encourage a positive working relationship between Florida businesses and international banking corporations while continuing to protect the safety and soundness of banking operations.

The Commission would have to make an interim report to the Governor by March 1, 1989 and a final report by December 31, 1989. The report would have to include program, legislative, and funding recommendations. The Commission would dissolve when it concludes its duties, but not later than June 30, 1990.

The bill also makes provision for an international banking corporation to obtain a license to operate indefinitely. The decision to issue such license would be made by the department if it finds that the corporation has satisfied the requirements for renewal of its license and has held a license for the previous three years. Such license would still be subject to suspension or revocation. The corporation would still have to file annual financial statements and pay annual fees equal to the current amount of renewal fees.

Authorization is included in the bill for the department to promulgate rules to handle the voluntary surrender of a license by an international banking corporation.

Some housekeeping language is in the bill clarifying that there are three types of international banking entities which may be licensed by an international banking corporation. They are an international bank agency, a representative office, and an administrative office.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:
1. Non-recurring or First Year Start-Up Effects:

Commission members would be entitled to travel and reimbursement for travel expenses. The exact amount would depend on how often the Commission met, for how long, and where. Also, Commission members may decline reimbursement on occasion. The maximum life of the Commission is approximately two years.

The Department of Banking and Finance indicates that it could provide administrative and clerical support to the Commission by reassigning existing personnel and contracting with other resources. Cost of providing this support would be $25,000 in FY 88-89 and $15,000 in FY 89-90.

2. Recurring or Annualized Continuation Effects:

As the international banking corporations would still be required to pay an annual fee, the bill is revenue neutral.

3. Long Run Effects Other Than Normal Growth:

None.

4. Appropriations Consequences:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.
3. Effects on Competition, Private Enterprise, and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

III. LONG RANGE CONSEQUENCES:

Findings and recommendations of the Commission may engender statutory, programmatic or regulatory changes that could result in strengthening Florida's position as a center for international trade and finance.

IV. COMMENTS:

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN THE COMMITTEE SUBSTITUTE

The original bill only provided for establishment of the International Banking Study Commission. The CS incorporates the additional language dealing with extension of the license period, procedures for voluntary surrender of a license, and a few statutory housekeeping references.

V. AMENDMENTS:

None.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by: Ivy Cream Harris

[Signature]

Staff Director: H. Fred Varn

FINANCE & TAXATION:
Prepared by:

[Signature]

Staff Director:

APPROPRIATIONS:
Prepared by:

[Signature]

Staff Director:
BILL #: CS/HB 1043
RELATING TO: International Banking & Trade Study
SPONSOR(S): Commerce & Representative Burke
EFFECTIVE DATE: Upon becoming law
COMPANION BILL(S): Identical S1318
OTHER COMMITTEES OF REFERENCE: (1) Appropriations
(2)
***************************************************************************
I. SUMMARY:
Committee Substitute for House Bill 1043 creates a 15 member International Banking Study Commission, charged with assessing the need for revision of the International Banking Code in light of current economic and trade conditions in the state. Additionally, it extends the period of validity for international banking corporation licenses and authorizes administrative procedures for voluntary surrender of a license.

A. PRESENT SITUATION:
International banking corporations, i.e., banks organized and licensed under the laws of a foreign country, are governed by Chapter 663, Florida Statutes, and subject to certain prescribed provisions of Chapters 655 and 658, F.S. International banks must be licensed by the Department of Banking and Finance (department), maintain records for periodic examination and make reports of assets, liabilities and other information deemed pertinent by the department. They may not take domestic deposits from individuals, but may make domestic loans.

A license for an international banking corporation to operate an international bank agency or representative office is valid for one year. Renewal fees are prescribed by statute. There are currently no laws governing the voluntary surrender of a license by an international banking corporation. Emergency-type rules were promulgated recently when the situation presented itself and the department was cited for having no statutory authority to take such action.

Foreign individuals may purchase state and federally chartered international banking corporations and foreign banking corporations may purchase federally chartered international banks, but not state chartered
institutions. Subject to these laws and regulations, international banks may transact any banking business state banks are authorized to transact.

B. EFFECT OF PROPOSED CHANGES:

CS/HB 1043 creates the International Banking and Trade Study Commission (Commission), composed of 15 members, including international bankers, domestic bankers, a banking attorney, a banking professor, a U.S. trade specialist, international trade business persons, legislators, the Secretary of Commerce, and the Comptroller.

The Commission is charged with analyzing state international and domestic banking laws relative to international banking and trade and assessing whether or not they need revision. Such determination would be based on an assessment of whether or not current laws and rules impede economic growth in the field of international trade and the particular needs of the small business community vis-à-vis foreign trade. Any suggested changes would have to be those that would encourage a positive working relationship between Florida businesses and international banking corporations while continuing to protect the safety and soundness of banking operations.

The Commission would have to make an interim report to the Governor by March 1, 1989 and a final report by December 31, 1989. The report would have to include program, legislative, and funding recommendations. The Commission would dissolve when it concludes its duties, but not later than June 30, 1990.

The bill also makes provision for an international banking corporation to obtain a license to operate indefinitely. The decision to issue such license would be made by the department if it finds that the corporation has satisfied the requirements for renewal of its license and has held a license for the previous three years. Such license would still be subject to suspension or revocation. The corporation would still have to file annual financial statements and pay annual fees equal to the current amount of renewal fees.

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II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:
1. Non-recurring or First Year Start-Up Effects:

Commission members would be entitled to travel and reimbursement for travel expenses. The exact amount would depend on how often the Commission met, for how long, and where. Also, Commission members may decline reimbursement on occasion. The maximum life of the Commission is approximately two years.

The Department of Banking and Finance indicates that it could provide administrative and clerical support to the Commission by reassigning existing personnel and contracting with other resources. Cost of providing this support would be $25,000 in FY 88-89 and $15,000 in FY 89-90.

2. Recurring or Annualized Continuation Effects:

As the international banking corporations would still be required to pay an annual fee, the bill is revenue neutral.

3. Long Run Effects Other Than Normal Growth:

None.

4. Appropriations Consequences:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.
3. Effects on Competition, Private Enterprise, and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

III. LONG RANGE CONSEQUENCES:

Findings and recommendations of the Commission may engender statutory, programmatic or regulatory changes that could result in strengthening Florida's position as a center for international trade and finance.

IV. COMMENTS:

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN THE COMMITTEE SUBSTITUTE

The original bill only provided for establishment of the International Banking Study Commission. The CS incorporates the additional language dealing with extension of the license period, procedures for voluntary surrender of a license, and a few statutory housekeeping references.

V. AMENDMENTS:

None.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by: Ivy Cream Harris  Staff Director: H. Fred Varn


ANCE & TAXATION:
Prepared by:  Staff Director:


APPROPRIATIONS:
Prepared by:  Staff Director:
BILL #: CS/HB 1043

RELATING TO: International Banking & Trade Study

SPONSOR(S): Representative Burke

EFFECTIVE DATE: Upon becoming law

COMPANION BILL(S): Identical S1318

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2)

I. SUMMARY:

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2. **Recurring or Annualized Continuation Effects:**

As the international banking corporations would still be required to pay an annual fee, the bill is revenue neutral.

3. **Long Run Effects Other Than Normal Growth:**

None.

4. **Appropriations Consequences:**

None.

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B. **FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. **Non-recurring or First Year Start-Up Effects:**

None.

2. **Recurring or Annualized Continuation Effects:**

None.

3. **Long Run Effects Other Than Normal Growth:**

None.

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C. **DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

1. **Direct Private Sector Costs:**

None.

2. **Direct Private Sector Benefits:**

None.

3. **Effects on Competition, Private Enterprise, and Employment Markets:**

None.
D. FISCAL COMMENTS:
None.

III. LONG RANGE CONSEQUENCES:
Findings and recommendations of the Commission may engender statutory, programmatic or regulatory changes that could result in strengthening Florida's position as a center for international trade and finance.

IV. COMMENTS:

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The original bill only provided for establishment of the International Banking Study Commission. The CS incorporates the additional language dealing with extension of the license period, procedures for voluntary surrender of a license, and a few statutory housekeeping references.

OTHER
Committee Substitute for House Bill 1043 passed the Legislature as an amendment to SB 955, and was therefore laid on the table. For further legislative history, consult the final staff analysis for SB 955.

V. AMENDMENTS:
None.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by: Ivy Cream Harris

FINANCE & TAXATION:
Prepared by:

APPROPRIATIONS:
Prepared by:

Staff Director: H. Fred Varn

Prepared by: Staff Director:

Prepared by: Staff Director: