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FLORIDA LEGISLATURE

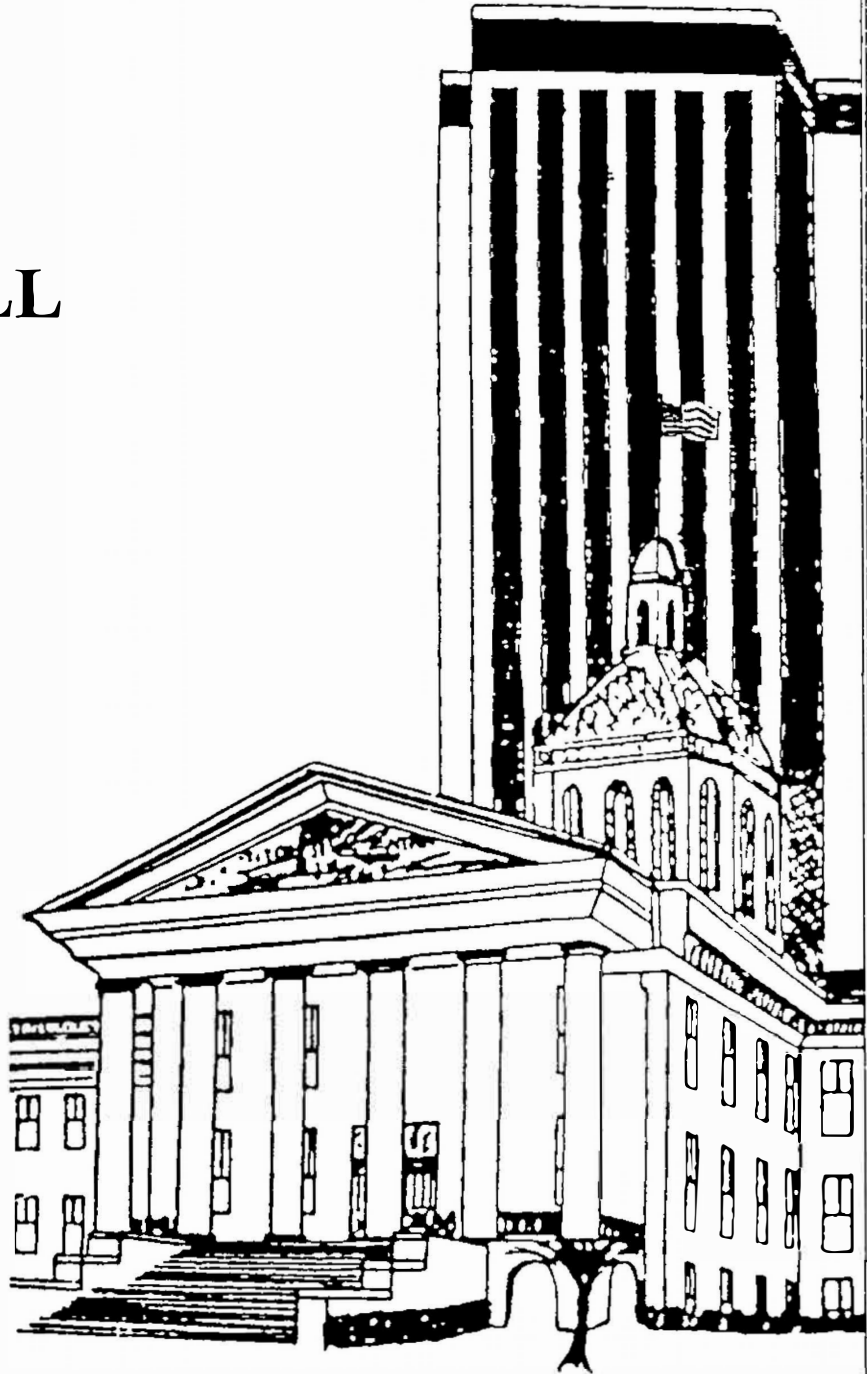
FINAL LEGISLATIVE BILL INFORMATION

1997 Regular Session

RE: CHAPTER 97-30

CS/HB 591 (Passed)

CS/SB 410 (substituted)



prepared by:

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HISTORY OF HOUSE BILLS

H 535 (CONTINUED):

05/20/97 HOUSE Withdrawn from Governmental Responsibility Council, Laid on Table. Iden./Sim/Compare Bill(s) passed, refer to CS/SB 1646 (Ch 97-306)

H 537 GENERAL BILL by Martinez, (CO-SPONSORS) Culp

Aiding or Harboring Runaway Children, defines offense of knowingly encouraging, aiding, abetting, or conspiring with child to run away from home, or knowingly harboring runaway child provides penalties, defines "harbor" & "home", provides applicability Creates 787 035 Effective Date 10/01/1997

02/12/97 HOUSE Prefiled
 02/28/97 HOUSE Referred to Family Law & Children (JC), Crime & Punishment (JC), Criminal Justice Appropriations
 03/04/97 HOUSE Introduced, referred to Family Law & Children (JC), Crime & Punishment (JC), Criminal Justice Appropriations -HJ 00079
 04/02/97 HOUSE Withdrawn from Family Law & Children (JC), Crime & Punishment (JC), Criminal Justice Appropriations, Withdrawn from further consideration -HJ 00377

H 539 GENERAL BILL/CS/2ND ENG by Education Innovation (AEC); Ziebarth; (CO-SPONSORS) Feeney, Flanagan, Crist; Wallace; Lynn (Compare CS/S 1578)

Charter Schools/Requirements, revises provisions re proposals, provides additional application & denial of application requirements, revises appeal procedures in case of denial of application, revises enrollment & charter provisions & annual reporting requirements, authorizes waiver of statutes, revises provisions re employees, revises provisions re distribution of funds to charter schools, provides for use of facilities, property, goods, & services, etc Amends 228 056 Effective Date 05/30/1997

02/12/97 HOUSE Prefiled
 03/06/97 HOUSE Introduced -HJ 00079
 03/19/97 HOUSE Referred to Education Innovation (AEC), Education Appropriations -HJ 00239
 03/26/97 HOUSE On Committee agenda—Education Innovation (AEC), 04/01/97, 1 00 pm, 317C
 04/01/97 HOUSE Comm Action Unanimously CS by Education Innovation (AEC) -HJ 00495
 CS read first time on 04/09/97 -HJ 00487
 04/08/97 HOUSE Now in Education Appropriations -HJ 00495, On Committee agenda—Education Appropriations, 04/11/97, 1 30 pm, 102-HOB—Temporarily deferred
 04/09/97 HOUSE On Committee agenda—Education Appropriations, 04/15/97, 1 00 pm, 102-HOB
 04/15/97 HOUSE Comm Action -Favorable with 2 amendment(s) by Education Appropriations -HJ 00657
 04/18/97 HOUSE In Academic Excellence Council, pending ranking -HJ 00657, Placed on Academic Excellence Council Calendar -HJ 00665
 04/23/97 HOUSE Read second time -HJ 00689, Amendment(s) adopted -HJ 00689, Amendment(s) failed -HJ 00689
 04/28/97 HOUSE Read third time -HJ 01091, Amendment(s) adopted -HJ 01091, CS passed as amended, YEAS 116 NAYS 0 -HJ 01092
 04/28/97 SENATE In Messages
 04/29/97 SENATE Received, referred to Education, Ways and Means -SJ 00943
 04/30/97 SENATE Withdrawn from Education, Ways and Means -SJ 00989, Substituted for CS/SB 1578 -SJ 00989, Read second and third times -SJ 00989, CS passed, YEAS 36 NAYS 2 -SJ 00989
 04/30/97 HOUSE Ordered enrolled -HJ 01347
 05/14/97 Signed by Officers and presented to Governor
 05/30/97 Became Law without Governor's Signature, Chapter No 97-207

H 541 GENERAL BILL/CS/1ST ENG by Financial Services (EIC); Maygarden; (CO-SPONSORS) Lynn (Similar CS/S 0410)

Financial Institutions/Regulation, applies prohibited acts & practices provisions to state or federal savings banks, requires approval by Banking & Finance Dept for financial entity to acquire certain financial entities, revises provisions providing for relocation of certain offices in this state, provides for indefinite operation of international banking corporation, etc Amends 280 02, 03, 663 06, 12, 737 101, Chs 655, 658, creates 667 001- 013 Effective Date 10/01/1997 except as otherwise provided

02/12/97 HOUSE Prefiled
 02/27/97 HOUSE On Committee agenda—Financial Services (EIC), 03/04/97 3 30 pm, Morris Hall—If referred
 03/04/97 HOUSE Introduced, referred to Financial Services (EIC) -HJ 00079, On Committee agenda—Financial Services (EIC), 03/04/97, 3 30 pm, Morris Hall, Comm Action -Unanimously CS by Financial Services (EIC) -HJ 00246
 CS read first time on 03/19/97 -HJ 00244
 03/20/97 HOUSE Pending Consent Calendar -HJ 00246
 03/24/97 HOUSE Available for Consent Calendar

H 541 (CONTINUED):

04/01/97 HOUSE Placed on Consent Calendar, Read second and third times -HJ 00346, -HJ 00361, CS passed, YEAS 118 NAYS 0 -HJ 00361

04/02/97 SENATE In Messages
 04/07/97 SENATE Received, referred to Banking and Insurance, Ways and Means -SJ 00399
 04/09/97 SENATE Withdrawn from Banking and Insurance, Ways and Means -SJ 00447, Substituted for CS/SB 410 -SJ 00448, Read second time -SJ 00448, Amendment(s) adopted -SJ 00448
 04/10/97 SENATE Read third time -SJ 00460, CS passed as amended, YEAS 37 NAYS 0 -SJ 00461 Immediately certified -SJ 00461
 04/10/97 HOUSE In returning messages
 04/14/97 HOUSE Concurred -HJ 00534, CS passed as amended, YEAS 105 NAYS 0 -HJ 00534, Ordered engrossed, then enrolled -HJ 00534
 04/22/97 Signed by Officers and presented to Governor -HJ 00701
 04/29/97 Approved by Governor, Chapter No 97-30 -HJ 01218

H 543 GENERAL BILL/CS by Education Innovation (AEC); K. Prunt; Chestnut, Fasano; (CO-SPONSORS) Minton; Melvin; Flanagan, Lacasa, Casey; Merchant; Burroughs, Wallace; Goode; Valdes; Starks; Kelly, Peadar; Mackey, Cosgrove; Posey; Byrd; Maygarden; Clemons, Smith; Diaz de la Portilla; Ogles, Crow; Westbrook, D. Prewitt, Brooks; Turnbull; Wiles; Arnold, Fischer; Greene; Hill, Putnam; Trovillion; Bronson; Eggelletion; Feeney; Baizter; Sanderson; Rodriguez-Chomat, Wasserman Schultz, Harrington; Brown; Kosmas; Heyman; Silver; Morroni; Murman, Lynn, Lawson (Similar CS/CS/1ST ENG/S 0858, Compare H 0607)

Education/Scholarship Programs, (THIS BILL COMBINES H543,607) establishes Fla Bright Futures Scholarship Program, provides student eligibility & program requirements, provides requirements for qualification for Fla Academic Scholars award, Fla Merit Scholarship award, & Fla Gold Seal Vocational Endorsement Scholarship award, provides transition in eligibility for scholarship awards, corrects cross references & conforms language, etc Amends Chs 24, 232, 239, 240 Effective Date Upon becoming law

02/12/97 HOUSE Prefiled
 02/21/97 HOUSE Referred to Education Innovation (AEC), Education Appropriations
 03/04/97 HOUSE Introduced, referred to Education Innovation (AEC), Education Appropriations -HJ 00079
 03/06/97 HOUSE On Committee agenda—Education Innovation (AEC), 03/12/97, 8 00 am, Morris Hall
 03/12/97 HOUSE CS combines this bill with 607, Combined CS additional reference(s) Finance & Taxation (FRC), Comm Action Unanimously CS by Education Innovation (AEC) -HJ 00305
 03/21/97 HOUSE CS read first time on 03/21/97 -HJ 00304, Now in Finance & Taxation (FRC) -HJ 00305
 04/03/97 HOUSE Withdrawn from Finance & Taxation (FRC) -HJ 00422, Now in Education Appropriations
 04/07/97 HOUSE On Committee agenda—Education Appropriations, 04/11/97, 1 30 pm, 102-HOB
 04/14/97 HOUSE Comm Action -Favorable with 4 amendment(s) by Education Appropriations -HJ 00594
 04/16/97 HOUSE In Academic Excellence Council, pending ranking -HJ 00594
 04/17/97 HOUSE Placed on Academic Excellence Council Calendar -HJ 00656
 04/23/97 HOUSE Temporarily postponed, on Second Reading -HJ 00688
 05/02/97 HOUSE Carried over to 1998 Session pursuant to House Rule 96, Placed on Academic Excellence Council Calendar, Iden./Sim/Compare Bill(s) passed, refer to CS/CS/SB 858 (Ch 97-77)

H 545 GENERAL BILL/CS by Law Enforcement & Public Safety (JC); Sindler; (CO-SPONSORS) Futch, Putnam; Culp; Lynn; D. Prewitt; Kosmas; Meek; Betancourt; Heyman; Harrington (Compare S 0996)

Dual Officeholding/Law Officers, provides that person employed as law enforcement officer, correctional officer, or correctional probation officer may be employed on part-time basis by different employing agency without being considered to be holding "office" for certain purposes Creates 943 1398 Effective Date Upon becoming law

02/13/97 HOUSE Prefiled
 02/21/97 HOUSE Referred to Law Enforcement & Public Safety (JC)
 03/04/97 HOUSE Introduced, referred to Law Enforcement & Public Safety (JC) -HJ 00079
 03/06/97 HOUSE On Committee agenda—Law Enforcement & Public Safety (JC), 03/12/97, 1 45 pm, 314-HOB
 03/12/97 HOUSE Comm Action -Unanimously CS by Law Enforcement & Public Safety (JC) -HJ 00246
 CS read first time on 03/19/97 -HJ 00244
 03/20/97 HOUSE Pending Consent Calendar -HJ 00246
 03/24/97 HOUSE Available for Consent Calendar

HISTORY OF SENATE BILLS

S 404 (CONTINUED)

- 02/18/97 SENATE CS combines this bill with 414, Comm Action CS by Regulated Industries
- 02/20/97 SENATE Now in Community Affairs
- 03/04/97 SENATE Introduced, referred to Regulated Industries, Community Affairs, Ways and Means -SJ 00052, On Committee agenda—Regulated Industries, 02/18/97, 9 00 am, Room—EL, CS combines this bill with 414, Comm Action CS by Regulated Industries -SJ 00031, CS read first time on 03/04/97 -SJ 00096, Now in Community Affairs -SJ 00031
- 03/07/97 SENATE On Committee agenda—Community Affairs, 03/11/97, 9 00 am, Room—1C(309)
- 03/11/97 SENATE Comm Action Favorable by Community Affairs -SJ 00140, Now in Ways and Means -SJ 00140
- 04/18/97 SENATE On Committee agenda—Ways and Means, 04/23/97, 2 00 pm, Room—EL
- 04/23/97 SENATE Comm Action -CS/CS by Ways and Means -SJ 00651, CS read first time on 04/25/97 -SJ 00651
- 04/25/97 SENATE Placed on Calendar -SJ 00651
- 04/28/97 SENATE Placed on Special Order Calendar -SJ 00709, Read second and third times -SJ 00699, CS passed, YEAS 39 NAYS 1 -SJ 00699
- 04/28/97 HOUSE In Messages, Received -HJ 01120, Fiscal Responsibility Council in Daily Folder -HJ 01120
- 04/29/97 HOUSE Read second and third times -HJ 01182, CS passed, YEAS 111 NAYS 5 -HJ 01182
- 04/29/97 SENATE Ordered enrolled -SJ 00956
- 05/15/97 Signed by Officers and presented to Governor
- 05/31/97 Became Law without Governor's Signature, Chapter No 97-283

S 406 GENERAL BILL by Dudley (Similar CS/H 0019)

- Saltwater Fishing License/Piers, provides fee for saltwater fishing license for fishing from any pier attached to land at discretion of owner, operator, or custodian of pier Amends 370 0605 Effective Date 10/01/1997
- 02/05/97 SENATE Prefiled
- 02/07/97 SENATE Referred to Natural Resources, Ways and Means
- 03/04/97 SENATE Introduced, referred to Natural Resources, Ways and Means -SJ 00052
- 03/10/97 SENATE On Committee agenda—Natural Resources, 03/12/97, 2 00 pm, Room—A1LL-37)
- 03/12/97 SENATE Comm Action Favorable by Natural Resources -SJ 00200
- 03/13/97 SENATE Now in Ways and Means -SJ 00200
- 03/26/97 SENATE Withdrawn from Ways and Means -SJ 00269, Placed on Calendar
- 04/09/97 SENATE Placed on Special Order Calendar -SJ 00448, Read second time -SJ 00448
- 04/10/97 SENATE Read third time -SJ 00461, Passed, YEAS 36 NAYS 0 -SJ 00461, Immediately certified -SJ 00461
- 04/10/97 HOUSE In Messages
- 04/11/97 HOUSE Received -HJ 00520, Available for Consent Calendar -HJ 00520
- 04/16/97 HOUSE Placed on Consent Calendar, Substituted for CS/HB 19 -HJ 00575, Read second and third times -HJ 00575, Passed, YEAS 116 NAYS 0 -HJ 00575
- 04/17/97 SENATE Ordered enrolled -SJ 00531
- 04/22/97 Signed by Officers and presented to Governor -SJ 00603
- 04/30/97 Became Law without Governor's Signature, Chapter No 97-33 -SJ 01096

S 408 GENERAL BILL by Holzendorf (Identical H 0983, Compare 2ND ENG/H 0755, CS/1ST ENGS 1414)

- Employment Equity/Postsecondary Edu, requires each state university to maintain equity plan to increase representation of women & minorities in faculty & administrative positions, requires development of plan for achievement of equity, requires each community college to maintain plan to increase representation of women & minorities in faculty & administrative positions, provides contents of employment accountability plan, etc Amends 240 2475, 3355 Effective Date 07/01/1997
- 02/05/97 SENATE Prefiled
- 02/07/97 SENATE Referred to Education, Governmental Reform and Oversight Ways and Means
- 03/04/97 SENATE Introduced, referred to Education, Governmental Reform and Oversight, Ways and Means -SJ 00053
- 03/14/97 SENATE On Committee agenda—Education, 03/18/97, 9 00 am, Room—A(LL)-37)
- 03/18/97 SENATE Comm Action Favorable by Education -SJ 00235
- 03/19/97 SENATE Now in Governmental Reform and Oversight -SJ 00235
- 04/04/97 SENATE On Committee agenda—Governmental Reform and Oversight, 04/08/97 2 00 pm, Room—1C(309)
- 04/08/97 SENATE Comm Action Favorable by Governmental Reform and Oversight -SJ 00449
- 04/09/97 SENATE Now in Ways and Means -SJ 00449

S 408 (CONTINUED)

- 04/25/97 SENATE Withdrawn from Ways and Means -SJ 00604, Placed on Calendar
- 04/29/97 SENATE Removed from Calendar, Withdrawn from further consideration -SJ 00724

S 410 GENERAL BILL/CS by Banking and Insurance; Scott (Similar CS/1ST ENG/H 0541)

- Financial Institutions/Regulation, applies prohibited acts & practices provisions to state or federal savings banks, requires approval by Banking & Finance Dept for financial entity to acquire certain financial entities, revises provisions providing for relocation of certain offices in this state, provides for indefinite operation of international banking corporation, etc Amends 280 02, 663 06, 12, 737 101, Chs 655, 656, creates 667 001- 013 Effective Date 10/01/1997 except as otherwise provided
- 02/05/97 SENATE Prefiled
- 02/07/97 SENATE Referred to Banking and Insurance, Ways and Means
- 03/04/97 SENATE Introduced, referred to Banking and Insurance, Ways and Means -SJ 00053
- 03/07/97 SENATE On Committee agenda—Banking and Insurance, 03/11/97, 9 00 am, Room—EL
- 03/11/97 SENATE Comm Action CS by Banking and Insurance -SJ 00200, CS read first time on 03/13/97 -SJ 00206
- 03/13/97 SENATE Now in Ways and Means -SJ 00200
- 03/26/97 SENATE Withdrawn from Ways and Means -SJ 00269, Placed on Calendar
- 04/09/97 SENATE Placed on Special Order Calendar -SJ 00448, House Bill substituted -SJ 00448, Laid on Table, Iden /Sim / Compare Bill(s) passed, refer to CS/HB 541 (Ch 97-30)

S 412 GENERAL BILL/CS by Natural Resources; Latvala; Crist; Clary (Similar H 0693, H 0903, CS/S 0582, Compare CS/3RD ENG/H 0715, CS/CS/3RD ENG/H 1119, S 0140, 1ST ENG/S 0292, CS/S 0564, S 0804)

- Marine Fisheries/Fishing Regulations, (THIS BILL COMBINES S412,140,804) provides that specified violations of administrative rules, Florida Statutes, & constitutional ban on use of certain nets are major violations, prohibits court from suspending, deferring, or withholding adjudication of guilt in specified circumstances, provides for suspension of violators' licenses & prohibits participation in fishing during period of suspension, etc Amends/creates/repeals Ch 370 Effective Date Upon becoming law
- 02/05/97 SENATE Prefiled
- 02/07/97 SENATE Referred to Natural Resources, Criminal Justice, Ways and Means
- 03/04/97 SENATE Introduced, referred to Natural Resources, Criminal Justice, Ways and Means -SJ 00053
- 03/10/97 SENATE On Committee agenda—Natural Resources, 03/12/97, 2 00 pm, Room—A1LL-37)
- 03/12/97 SENATE CS combines this bill with 140 & 804, Comm Action CS by Natural Resources -SJ 00236, CS read first time on 03/19/97 -SJ 00240
- 03/17/97 SENATE Now in Criminal Justice -SJ 00236
- 03/28/97 SENATE On Committee agenda—Criminal Justice, 04/01/97, 9 00 am, Room—A(LL)-37)
- 04/01/97 SENATE Comm Action Favorable with 5 amendments by Criminal Justice -SJ 00362
- 04/02/97 SENATE Now in Ways and Means -SJ 00362
- 05/02/97 SENATE Died in Committee on Ways and Means, Iden /Sim / Compare Bill(s) passed, refer to CS/HB 715 (Ch 97-160), CS/CS/HB 1119 (Ch 97-164), SB 292 (Ch 97-172)

S 414 GENERAL BILL by Scott; (CO-SPONSORS) Crist; Gutman, Lee, Childers; Jenne; Holzendorf; Meadows; Casas; Brown-Waite; Harris; Klein; Ostalkiewicz (Compare CS/CS/S 0404)

- Telecommunications Tax Limitations, (THIS BILL COMBINED IN CS/S404,414) prohibits any tax pursuant to certain provisions on telecommunications services Effective Date Upon becoming law
- 02/05/97 SENATE Prefiled
- 02/07/97 SENATE Referred to Regulated Industries, Community Affairs, Ways and Means
- 02/10/97 SENATE On Committee agenda—Regulated Industries, 02/18/97, 9 00 am, Room—EL
- 02/18/97 SENATE CS combines this bill with 404, Comm Action CS by Regulated Industries, Original bill laid on Table, refer to combined CS/SB 404
- 03/04/97 SENATE Introduced, referred to Regulated Industries, Community Affairs, Ways and Means -SJ 00053, On Committee agenda—Regulated Industries, 02/18/97, 9 00 am Room—EL, CS combines this bill with 404, Comm Action CS by Regulated Industries -SJ 00031, Original bill laid on Table, refer to combined CS/CS/SB 404 (Ch 97-283)

S 416 GENERAL BILL by Bankhead

- Florida Statutes/Revisers Bill deletes provisions which have expired, have become obsolete have had their effect have served their purpose or have been impliedly repealed or superseded replaces incorrect cross-references & citations, corrects grammatical typographical, & like errors, removes inconsisten-

By Representative Maygarden

A bill to be entitled

An act relating to the management and regulation of financial institutions; amending s. 655.005, F.S.; revising definitions, amending s. 655.0322, F.S.; applying prohibited acts and practices provisions to state or federal savings banks; providing penalties; amending s. 655.045, F.S.; deleting a report requirement; amending s. 655.41, F.S.; revising a definition; amending s. 655.414, F.S.; requiring approval by the Department of Banking and Finance for a financial entity to acquire certain financial entities; providing for a nonrefundable filing fee; deleting a requirement to file a separate application for each branch office; amending s. 658.21, F.S.; revising criteria for approval of applications; amending s. 658.23, F.S., clarifying information required in articles of incorporation, amending s. 658.26, F.S., providing for approval of a branch application under certain circumstances; revising provisions providing for relocation of certain offices in this state; providing a definition, amending s. 658.295, F.S.; revising certain acquisition criteria; deleting an obsolete provision; amending s. 658.2953, F.S.; correcting a threshold date reference; amending s. 658.73, F.S., revising application fee provisions; providing for partial refund under certain circumstances; amending s. 663.06,

555-113B-97

1 F.S.; providing for indefinite operation of an
2 international banking corporation; deleting
3 temporary operation provisions; amending s.
4 663 12, F.S.; clarifying certain filing fee
5 provisions; creating ss. 667.001-667.013, F.S.;
6 providing a short title; providing definitions;
7 providing applicability; providing for a name;
8 providing for reorganization, merger, or
9 consolidation; providing for conversion of
10 certain banks or associations to capital stock
11 savings banks; providing requirements; imposing
12 a fee; providing powers and duties of the
13 department under certain circumstances;
14 providing for acquisition of assets or control
15 of savings banks; providing criteria and
16 requirements; specifying powers of savings
17 banks; providing for loans and loan expenses;
18 providing for dealing with successors in
19 interest; providing for foreign savings banks;
20 repealing s. 658.295(6)(e), F.S., relating to
21 certain notice of acquisitions; repealing s.
22 658 2953(14)(b), F.S., relating to certain
23 notice of establishment and maintenance of a
24 branch in this state by an out-of-state bank;
25 providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. Paragraphs (g), (h), and (j) of subsection
30 (1) of section 655.005, Florida Statutes, are amended to read:
31 655.005 Definitions.--

555-113B-97

1 (1) As used in the financial institutions codes,
2 unless the context otherwise requires, the term:

3 (g) "Federal financial institution" means a federally
4 or nationally chartered or organized association, bank,
5 savings bank, or credit union.

6 (h) "Financial institution" means a state or federal
7 association, bank, savings bank, trust company, international
8 bank agency, representative office or international
9 administrative office, or credit union.

10 (j) "Financial institutions codes" means:

- 11 1. Chapter 655, relating to financial institutions
- 12 generally;
- 13 2. Chapter 657, relating to credit unions;
- 14 3. Chapter 658, relating to banks and trust companies,
- 15 4. Chapter 660, relating to trust business;
- 16 5. Chapter 663, relating to international banking
- 17 corporations; and
- 18 6. Chapter 665, relating to associations; and:
- 19 7. Chapter 667, relating to savings banks.

20 Section 2 Subsection (1) of section 655.0322, Florida
21 Statutes, is amended to read:

22 655.0322 Prohibited acts and practices; criminal
23 penalties.--

24 (1) As used in this section, the term "financial
25 institution" means a financial institution as defined in s.
26 655.50 which includes a state trust company, state or national
27 bank, state or federal association, state or federal savings
28 bank, state or federal credit union, Edge Act or agreement
corporation, international bank agency, representative office
or administrative office or other business entity as defined
31 by the department by rule, whether organized under the laws of

1 this state, the laws of another state, or the laws of the
2 United States, which institution is located in this state.

3 Section 3. Paragraph (a) of subsection (2) of section
4 655.045, Florida Statutes, is amended to read:

5 655.045 Examinations, reports, and internal audits;
6 penalty.--

7 (2)(a) The department shall require each state
8 financial institution, subsidiary, or service corporation to
9 submit a report, at least four times each calendar year, as of
10 such dates as the department may determine. Each such report
11 ~~must contain a declaration by the chief executive officer or~~
12 ~~any other officer authorized by the board of directors to make~~
13 ~~such declaration that the report is true and correct to the~~
14 ~~best of his knowledge and belief.~~ Such report must include
15 such information as the department by rule requires for that
16 type of institution.

17 Section 4 Subsection (1) of section 655.41, Florida
18 Statutes, is amended to read:

19 655.41 Cross-industry conversions, mergers,
20 consolidations, and acquisitions; definitions used in ss.
21 655.41-655.419.--As used in ss 655.41-655.419, the term:

22 (1) "Financial entity" means an association, bank,
23 credit union, savings bank, Edge Act or agreement corporation,
24 or trust company organized under the laws of this state or
25 organized under the laws of the United States and having its
26 principal place of business in this state.

27 Section 5. Section 655.414, Florida Statutes, is
28 amended to read:

29 655.414 Acquisition of assets; assumption of
30 liabilities.--With prior approval of the department and upon
31 such conditions as the department prescribes by rule, any

555-1138-97

1 financial entity may acquire all or substantially all of the
2 assets of, or assume the liabilities of, any other financial
3 entity in accordance with the procedures and subject to the
4 following conditions and limitations.

5 (1) ADOPTION OF A PLAN.--The board of directors of the
6 acquiring or assuming financial entity and the board of
7 directors of the transferring financial entity must adopt, by
8 a majority vote, a plan for such acquisition, assumption, or
9 sale on such terms as are mutually agreed upon. The plan must
10 include:

11 (a) The names and types of financial entities
12 involved.

13 (b) A statement setting forth the material terms of
14 the proposed acquisition, assumption, or sale, including the
15 plan for disposition of all assets and liabilities not subject
16 to the plan.

17 (c) A provision for liquidation of the transferring
18 financial entity upon execution of the plan.

19 (d) A statement that the entire transaction is subject
20 to written approval of the department and approval of the
21 members or stockholders of the transferring financial entity.

22 (e) If a stock financial institution is the
23 transferring financial entity and the proposed sale is not to
24 be for cash, a clear and concise statement that dissenting
25 stockholders of such financial entity are entitled to the
26 rights set forth in s. 658.44(4) and (5).

27 (f) The proposed effective date of such acquisition,
28 assumption, or sale and such other information and provisions
29 as may be necessary to execute the transaction or as may be
30 required by the department.

31

1 (2) APPROVAL OF DEPARTMENT.--Following approval by the
2 board of directors of each participating financial entity, the
3 plan, together with certified copies of the authorizing
4 resolutions adopted by the boards and a completed application
5 with a nonrefundable filing fee, must be forwarded to the
6 department for its approval or disapproval. The department
7 shall approve the plan of acquisition, assumption, or sale if
8 it appears that:

9 (a) The resulting financial entity would have an
10 adequate capital structure in relation to its activities and
11 its deposit liabilities;

12 (b) The plan is fair to all parties; and

13 (c) The plan is not contrary to the public interest.
14

15 If the department disapproves the plan, it shall state its
16 objections and give an opportunity to the parties to amend the
17 plan to overcome such objections.

18 (3) VOTE OF MEMBERS OR STOCKHOLDERS.--If the
19 department approves the plan, it may be submitted to the
20 members or stockholders of the transferring financial entity
21 at an annual meeting or at any special meeting called to
22 consider such action. Upon a favorable vote of 51 percent or
23 more of the total number of votes eligible to be cast or, in
24 the case of a credit union, 51 percent or more of the members
25 present at the meeting, the plan is adopted.

26 (4) ADOPTED PLAN; CERTIFICATE; ABANDONMENT.--

27 (a) If the plan is adopted by the members or
28 stockholders of the transferring financial entity, the
29 president or vice president and the cashier, manager, or
30 corporate secretary of such financial entity shall submit the
31

1 adopted plan to the department, together with a certified copy
2 of the resolution of the members or stockholders approving it.

3 (b) Upon receipt of the certified copies and evidence
4 that the participating financial entities have complied with
5 all applicable federal law and regulations, the department
6 shall certify, in writing, to the participants that the plan
7 has been approved ~~adopted and is in compliance with the~~
8 ~~provisions of this section~~

9 (c) Notwithstanding approval of the members or
10 stockholders or certification by the department, the board of
11 directors of the transferring financial entity may, in its
12 discretion, abandon such a transaction without further action
13 or approval by the members or stockholders, subject to the
14 rights of third parties under any contracts relating thereto

15 (5) FEDERALLY CHARTERED INSTITUTION AS A
16 PARTICIPANT.--If one of the participants in a transaction
17 under this section is a federally chartered financial entity,
18 all participants must also comply with such requirements as
19 may be imposed by federal law for such an acquisition,
20 assumption, or sale and provide evidence of such compliance to
21 the department as a condition precedent to the issuance of a
22 certificate authorizing the transaction; however, if the
23 purchasing or assuming financial entity is a federally
24 chartered financial entity, approval of the department is not
25 required.

26 (6) STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.--A
27 mutual financial institution may not sell all or substantially
28 all of its assets to a stock financial entity until it has
29 first converted into a capital stock financial institution in
30 accordance with s. 665.033(1) and (2) For this purpose,
31 references in s. 665.033(1) and (2) to associations are deemed

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1 to refer also to credit unions; but, in the case of a credit
2 union, the provision therein concerning proxy statements does
3 not apply.

4 ~~(7)--BRANCH OFFICES--If the acquisition of assets or~~
5 ~~assumption of liabilities includes any bank; association; or~~
6 ~~trust company branch office; a branch application must be~~
7 ~~filed for each proposed branch office of the acquiring or~~
8 ~~assuming financial entity in accordance with s. 658.26:~~

9 Section 6. Subsections (1) and (4) of section 658.21,
10 Florida Statutes, are amended to read:

11 658.21 Approval of application; findings
12 required.--The department shall approve the application if it
13 finds that:

14 (1) ~~Public convenience and advantage will be promoted~~
15 ~~by the establishment of the proposed state bank or trust~~
16 ~~company.--Additionally; Local conditions indicate reasonable~~
17 ~~promise of successful operation for the proposed state bank or~~
18 ~~trust company and those financial institutions already~~
19 ~~established in the primary service area. In determining~~
20 ~~whether an applicant meets the requirements of this~~
21 ~~subsection, the department shall consider all materially~~
22 ~~relevant factors, including:~~

23 (a) The purpose, objectives, and business philosophy
24 growth rate; size; location; financial strength; and operating
25 characteristics of financial institutions in the primary
26 service area of the proposed state bank or trust company.

27 (b) The projected financial performance of the
28 proposed bank or trust company growth; economic; and
29 demographic characteristics of the primary service areas and
30 the metropolitan statistical area or county.

31

1 (c) The feasibility of the proposed bank or trust
2 company, as stated in the business plan, particularly with
3 respect to asset and liability growth and management.

4 (4) The proposed officers have sufficient financial
5 institution experience, ability, standing, and reputation and
6 the proposed directors have sufficient business experience,
7 ability, standing, and reputation to indicate reasonable
8 promise of successful operation, and none of the proposed
9 officers or directors has been convicted of, or pled guilty or
10 nolo contendere to, any violation of s. 655.50, relating to
11 the Florida Control of Money Laundering in Financial
12 Institutions Act; chapter 896, relating to offenses related to
13 financial institutions; or any similar state or federal law
14 At least one of the proposed directors who is not also a
15 proposed officer shall have had at least 1 year direct
16 experience as an executive officer, regulator, or director of
17 a financial institution within 3 years of the date of the
18 application. This requirement may be waived by the department
19 if the applicant demonstrates that the proposed director has
20 very substantial experience as an executive officer, director,
21 or regulator of a financial institution more than 3 years
22 before the date of the application. The proposed president or

23 chief executive officer shall have had at least 1 year of
24 direct experience as an executive officer, director, or
25 regulator of a financial institution within the last 3 years.

26 Section 7. Paragraph (g) of subsection (2) of section
27 658.23, Florida Statutes, is amended to read:

28 658.23 Submission of articles of incorporation;
29 contents; form; approval; filing; commencement of corporate
30 existence; bylaws.--

31 (2) The articles of incorporation shall contain:

1 (g) The number of directors, which shall be five or
2 more, and the names and street addresses of the members of the
3 initial first board of directors.
4

5 The department shall provide to the proposed directors form
6 articles of incorporation which shall include only those
7 provisions required by this section or by chapter 607. The
8 form articles shall be acknowledged by the proposed directors
9 and returned to the department for filing with the Department
10 of State.

11 Section 8. Section 658.26, Florida Statutes, 1996
12 Supplement, is amended to read:

13 658.26 Places of transacting business; branches;
14 facilities.--

15 (1) Any bank or trust company heretofore or hereafter
16 incorporated pursuant to this chapter shall have one main
17 office, which shall be located within the state.

18 (2)(a) In addition, with the approval of the
19 department and upon such conditions as the department
20 prescribes, any bank or trust company may establish branches
21 within or outside the state. With the approval of the
22 department upon a determination that the resulting bank or
23 trust company will be of sound financial condition, any bank
24 or trust company incorporated pursuant to this chapter may
25 establish branches by merger with any other bank or trust
26 company.

27 (b) An application for a branch shall be in writing in
28 such form as the department prescribes and be supported by
29 such information, data, and records as the department may
30 require to make findings necessary for approval. Applications
31 filed pursuant to this subsection shall not be published in

1 the Florida Administrative Weekly but shall otherwise be
2 subject to the provisions of chapter 120. Upon the filing of
3 an application and a nonrefundable filing fee for the
4 establishment of any branch permitted by paragraph (a), the
5 department shall make an investigation with respect to
6 compliance with the requirements of paragraph (a) and shall
7 investigate and consider all factors relevant to such
8 requirements, including the following:

9 1. The sufficiency of capital accounts in relation to
10 the deposit liabilities of the bank, or in relation to the
11 number and valuation of fiduciary accounts of the trust
12 company, including the proposed branch, and the additional
13 fixed assets, if any, which are proposed for the branch and
14 its operations, without undue risk to the bank or its
15 depositors, or undue risk to the trust company or its
16 fiduciary accounts,

17 2. The sufficiency of earnings and earning prospects
18 of the bank or trust company to support the anticipated
19 expenses and any anticipated operating losses of the branch
20 during its formative or initial years,

21 3. The sufficiency and quality of management available
22 to operate the branch;

23 4. The name of the proposed branch to determine if it
24 reasonably identifies the branch as a branch of the main
25 office and is not likely to unduly confuse the public; and

26 5. Substantial compliance by the applicants with
27 applicable law governing their operations.

28 (c) A branch application, filed by a strong,
29 well-managed state bank or trust company, which is not denied
30 within 10 working days after receipt of the application shall
31 be deemed approved unless the department notifies the

1 financial institution in writing that the application was not
2 complete.

3 (3)(a) ~~An office in this state which has been in~~
4 ~~operation for at least 48 months may be relocated within this~~
5 ~~state upon 30 days' prior written notification to the~~
6 ~~department. An office in this state which has been open for~~
7 ~~less than 48 months may be relocated within this state with~~
8 ~~prior written approval of the department; if the relocation~~
9 ~~will not create an unsafe and unsound condition. An~~
10 application for relocation shall be in writing in such form as
11 the department prescribes and shall be supported by such
12 information, data, and records as the department may require
13 to make findings necessary for approval. Additional
14 ~~investments in land; buildings; leases; and leasehold~~
15 ~~improvements resulting from such relocation shall comply with~~
16 ~~the limitations imposed by s. 658.67(7)(a). The location of~~
17 ~~an office may not be moved beyond the limits of the county or~~
18 ~~counties in which the bank or trust company maintains~~
19 ~~authorized bank or trust company offices and may not be moved~~
20 ~~outside this state unless expressly authorized by the~~
21 ~~financial institutions codes or by federal law:~~

22 (b) Applications filed pursuant to this subsection
23 shall not be published in the Florida Administrative Weekly
24 but shall otherwise be subject to the provisions of chapter
25 120. However, an application for the relocation of a main
26 office that has not been in operation for at least 24 months
27 shall be published in the Florida Administrative Weekly. Upon
28 the filing of a relocation application and a nonrefundable
29 filing fee, the department shall investigate to determine
30 substantial compliance by the financial institution with
31 applicable law governing its operations. Additional

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1 investments in land, buildings, leases, and leasehold
2 improvements resulting from such relocation shall comply with
3 the limitations imposed by s. 658.67(7)(a). A main office may
4 not be moved outside this state unless expressly authorized by
5 the financial institutions codes or by federal law. The
6 redesignation of a main office and a branch office within this
7 state may be made with prior written notification to the
8 department. However, the redesignation of the main office
9 during the bank or trust company's first 18 months of
10 operation requires the prior written approval of the
11 department.

12 (c) A relocation application, filed by a strong,
13 well-managed state bank or trust company, which is not denied
14 within 10 working days after receipt shall be deemed approved
15 unless the department notifies the financial institution in
16 writing that the application was not complete.

17 (d) In addition to the application required by
18 paragraph (a), a financial institution whose main office in
19 this state has been in operation less than 24 months must
20 provide evidence that the criteria of s. 658.21(1) will be
21 met.

22 (e) With 30 days' prior written notice, an established
23 branch office may be consolidated with another established
24 branch office when the two offices are located within a 1-mile
25 radius. The notice shall include any information the
26 department may prescribe by rule.

27 (f) A branch office may be closed with 30 days' prior
28 written notice to the department. The notice shall include any
29 information the department may prescribe by rule.

30 (4) With prior written notification to the department,
31 any bank may operate facilities which are not physically

1 connected to the main or branch office of the bank, provided
2 that the facilities are situated on the property of the main
3 or branch office or property contiguous thereto. Property
4 which is separated from the main or branch office of a bank by
5 only a street, and one or more walkways and alleyways are
6 determined to be, for purposes of this subsection, contiguous
7 to the property of the main or branch office.

8 (5) A bank may provide, directly or through a contract
9 with another company, off-premises armored car service to its
10 customers. Armored car services shall not be considered a
11 branch for the purposes of subsection (2).

12 (6)(a) Any state bank that is a subsidiary of a bank
13 holding company may agree to receive deposits, renew time
14 deposits, close loans, service loans, and receive payments on
15 loans and other obligations, as an agent for an affiliated
16 depository institution.

17 (b) The term "close loan" does not include the making
18 of a decision to extend credit or the extension of credit.

19 (c) As used in this section, "receive deposits" means
20 the taking of deposits to be credited to an existing account
21 and does not include the opening or origination of new deposit
22 accounts at an affiliated institution by the agent
23 institution.

24 (d) Under this section, affiliated banks may act as
25 agents for one another regardless of whether the institutions
26 are located in the same or different states. This section
27 applies solely to affiliated depository institutions acting as
28 agents, and has no application to agency relationships
29 concerning nondepositories as agent, whether or not affiliated
30 with the depository institution.

31

1 (e) In addition, under this section, agent banks may
2 perform ministerial functions for the principal bank making a
3 loan. Ministerial functions include, but are not limited to,
4 such activities as providing loan applications, assembling
5 documents, providing a location for returning documents
6 necessary for making the loan, providing loan account
7 information, and receiving payments. It does not include such
8 loan functions as evaluating applications or disbursing loan
9 funds.

10
11 For the purposes of this section, a strong, well-managed state
12 bank or trust company is an institution that has been in
13 operation for at least 24 months, is well capitalized, has
14 received a satisfactory rating at the institution's most
15 recent state or federal safety and soundness examination, and
16 is not the object of any enforcement action.

17 Section 9. Paragraph (b) of subsection (3) and
18 paragraph (a) of subsection (8) of section 658.295, Florida
19 Statutes, 1996 Supplement, are amended to read:

20 658.295 Interstate banking.--

21 (3) STATEMENT OF LEGISLATIVE INTENT.--In general,
22 states have a strong interest in the activities and operations
23 of depository institutions doing business within their
24 jurisdictions, regardless of the type of charter an
25 institution holds. In particular, states have a legitimate
26 interest in protecting the rights of consumers, businesses,
27 and communities. Further, Congress did not intend that the
28 Interstate Banking and Branching Efficiency Act of 1994 alter
29 this balance and thereby weaken states' authority to protect
30 the interests of consumers, businesses, or communities.

31

1 (b) Nothing in this section shall be construed to
2 prohibit the acquisition by an out-of-state bank holding
3 company of all or substantially all of the shares of a bank
4 organized solely for the purpose of facilitating the
5 acquisition of a bank that has been in existence and
6 continuously operated as a bank for more than 3 2 years, if
7 the acquisition has otherwise been approved pursuant to this
8 section.

9 (8) STANDARDS FOR APPROVAL.--Except as otherwise
10 provided in this section:

11 (a) No direct or indirect acquisition of a Florida
12 bank or a Florida bank holding company by a bank holding
13 company shall be permitted unless the Florida bank or all
14 Florida bank subsidiaries of the bank holding company to be
15 acquired have been in existence and continuously operating, on
16 the date of such acquisition, for more than 3 years Provided
17 however;~~that this subsection shall not prohibit approval of~~
18 ~~any acquisition otherwise lawful for which a definitive~~
19 ~~agreement for acquisition is entered into within 6 months of~~
20 ~~the effective date of this statute:~~

21 Section 10. Subsections (2) and (6) of section
22 658.2953, Florida Statutes, 1996 Supplement, are amended to
23 read:

24 658.2953 Interstate branching.--

25 (2) PURPOSE.--The purpose of this section is to permit
26 interstate branching, effective May 31 June-1, 1997, by a
27 merger transaction under s. 102 of the Riegle-Neal Interstate
28 Banking and Branching Efficiency Act of 1994, Pub. L. No.
29 103-328, in accordance with this section.

30 (6) AUTHORITY OF STATE BANKS TO ESTABLISH INTERSTATE
31 BRANCHES BY MERGER.--Beginning May 31 June-1, 1997, with the

1 prior written approval of the department, a state bank may
2 establish, maintain, and operate one or more branches in a
3 state other than this state pursuant to an interstate merger
4 transaction in which the state bank is the resulting bank. No
5 later than the date on which the required application for the
6 interstate merger transaction is filed with the responsible
7 federal bank regulatory agency, the applicant state bank shall
8 file an application on a form prescribed by the department
9 accompanied by the required fee pursuant to s. 658.73. The
10 applicant shall also comply with the provisions of ss.
11 658.40-658.45.

12 Section 11. Subsections (2) and (3) of section 658.73,
13 Florida Statutes, 1996 Supplement, are amended to read:

14 658.73 Fees and assessments.--

15 (2) Applications filed with the department shall be
16 accompanied by payment of the following nonrefundable fees:

17 (a) Fifteen thousand dollars for each application for
18 authority to organize a new state bank or state trust company.

19 (b) Two thousand five hundred dollars for each
20 application by an existing bank or association for trust
21 powers.

22 (c) Seven thousand five hundred dollars for each
23 application for authority to acquire a controlling interest in
24 a state bank or state trust company; however, if more than one
25 bank or trust company is being acquired in any such
26 application, the fee shall be increased by \$3,500 for each
27 additional bank or trust company. However, in no event shall
28 the fee exceed \$15,000.

29 (d) Seven thousand five hundred dollars for each
30 application for conversion of a national bank to a state bank.
31

1 (e) Seven two-thousand-five hundred fifty dollars for
2 each application to establish a branch of a strong,
3 well-managed state bank; ~~an out-of-state bank;~~ or a state
4 trust company as defined in s. 658.26. One thousand five
5 hundred dollars for each application to establish a branch by
6 any other state bank or state trust company.

7 (f) One thousand five hundred dollars for each
8 application for authority to establish a trust service office
9 of a state trust company or of a trust department of a state
10 bank or association, and a like amount for each application by
11 a bank or association with trust powers which is not a state
12 bank or state association for authority to establish a trust
13 service office at a state bank, state association, or state
14 credit union.

15 (g) Seven thousand five hundred dollars for each
16 application for a merger or consolidation; however, if three
17 or more banks or trust companies are involved in any such
18 application, the fee shall be \$3,500 for each involved
19 institution. However, in no event shall the fee exceed
20 \$15,000.

21 (h) Two thousand five hundred dollars to establish a
22 successor institution.

23 (i) Two hundred fifty dollars for each application by
24 a strong, well-managed state bank or trust company, as defined
25 in s. 658.26, to relocate the main office of a state bank or a
26 state trust company. Each other state bank or trust company
27 shall pay a fee of \$750 for each application for relocation of
28 its main office. Seven-thousand-five-hundred-dollars-for-each
29 application-by-an-out-of-state-bank-holding-company-to-make-an
30 acquisition-pursuant-to-s.-658:295.

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1 (j) Two thousand five hundred dollars for each
2 application for the purchase of assets and the assumption of
3 liabilities. If, as a result of such application, the
4 applicant will establish more than 10 branch offices within
5 this state, an application fee of \$100 is required for each
6 additional branch office.

7 (3)(a) If, as a result of any application filed with
8 the department, the department determines that an examination
9 is necessary to assess the financial condition of any
10 financial institution, the applying financial institution
11 shall pay to the department a nonrefundable examination fee,
12 pursuant to s. 655.045(1).

13 (b) The department may refund up to one-half of the
14 fee submitted with an application if the application is
15 withdrawn by the applicant prior to publication in the Florida
16 Administrative Weekly.

17 (4)(3) The amounts of all fees and assessments
18 provided for in this section shall be deemed to be maximum
19 amounts; and the department has the authority to establish, by
20 rule, and from time to time to change, fees and assessments in
21 amounts less than the maximum amounts stated in this section.

22 Section 12. Section 663 06, Florida Statutes, is
23 amended to read:

24 663.06 Licenses; permissible activities.--

25 (1) An international banking corporation licensed to
26 operate an office in this state may engage in the business
27 authorized by this part at the office specified in such
28 license for an indefinite such period as-is-provided-in
29 subsection-(2)-or-subsection-(3). An international banking
30 corporation may operate more than one international bank
31 agency, international branch, or international representative

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1 office, each at a different place of business, provided that
2 each office shall be separately licensed. No license to
3 operate an international bank office is transferable or
4 assignable. However, the location of an international bank
5 office may be changed after notification of the department.
6 Every such license shall be, at all times, conspicuously
7 displayed in the place of business specified therein.

8 ~~{2}--Except as provided in subsection (3); a license to~~
9 ~~operate an international bank agency; international branch;~~
10 ~~international representative office; or international~~
11 ~~administrative office shall be valid for a period of 4 year;~~
12 ~~unless such license is suspended or revoked sooner pursuant to~~
13 ~~subsection (5);--The license may be renewed annually upon~~
14 ~~application to the department; upon forms available for that~~
15 ~~purpose; within 30 days prior to the expiration of the~~
16 ~~license--The license may be renewed by the department; in its~~
17 ~~discretion; upon its determination; with or without~~
18 ~~examination; that the international banking corporation is in~~
19 ~~a safe and sound condition and has complied with all~~
20 ~~requirements of law with respect to the international bank~~
21 ~~agency; international branch; international representative~~
22 ~~office; or international administrative office; that the~~
23 ~~renewal of the license will not be detrimental to the public~~
24 ~~interest; and that the renewal has been duly authorized by~~
25 ~~proper corporate action--Each application for renewal of a~~
26 ~~license shall be accompanied by the fee prescribed in s-~~
27 ~~663:12:~~

28 ~~{3}--Notwithstanding the provisions of subsection (2);~~
29 ~~the department may; in its discretion; issue a license to an~~
30 ~~international banking corporation for an indefinite period if~~
31 ~~it finds that the international banking corporation has~~

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1 ~~satisfied the requirements for renewal of its license and has~~
2 ~~held a license for the previous 3 years:--However; an~~
3 ~~indefinite license to operate an international bank agency or~~
4 ~~international branch may not be issued to an international~~
5 ~~banking corporation unless it has held one or the other of~~
6 ~~such licenses for at least 3 years:--A license issued for an~~
7 ~~indefinite period shall be valid without renewal unless~~
8 ~~suspended or revoked pursuant to subsection (5):--An~~
9 ~~international banking corporation that is granted a license~~
10 ~~for an indefinite period shall file with the department such~~
11 ~~annual financial statements as the department may require and~~
12 ~~shall pay an annual fee equal to the annual renewal fee for~~
13 ~~each license held by the international banking corporation:~~
14 ~~Such annual fee shall be paid not later than January 31 of~~
15 ~~each year:~~

16 (2)(4) An international banking corporation which
17 proposes to terminate the operations of its international bank
18 agency, international branch, international representative
19 office, or international administrative office shall surrender
20 its license to the department and comply with such procedures
21 as the department may prescribe by rule.

22 (3)(5) An international bank agency, international
23 branch, international representative office, or international
24 administrative office license may be suspended or revoked by
25 the department, with or without examination, upon its
26 determination that the international banking corporation does
27 not meet all requirements for original licensing or any of the
28 criteria established by subsection (2) for renewal of a
29 license. The department may by rule prescribe additional
30 conditions or standards under which the license of an
31 international bank agency, international branch, international

1 representative office, or international administrative office
2 may be suspended or revoked

3 (4)(6) In the event any such license is surrendered by
4 the international banking corporation or is suspended or
5 revoked by the department, ~~or the renewal thereof is refused~~
6 ~~by the department~~; all rights and privileges of the
7 international banking corporation to transact the business
8 thus licensed shall cease. The department shall, by rule,
9 prescribe procedures for the surrender of a license and for
10 the orderly cessation of business by an international banking
11 corporation in a manner which is not harmful to the interests
12 of its customers or of the public.

13 (5)(7) In addition to the activities in which it is
14 expressly permitted to engage:

15 (a) An international branch may engage in any
16 activities permissible for an international bank agency.

17 (b) An international bank agency may engage in any
18 activities permissible for an international administrative
19 office.

20 (c) An international administrative office may engage
21 in any activities permissible for an international
22 representative office.

23 Section 13. Paragraph (e) of subsection (1) and
24 subsection (2) of section 663.12, Florida Statutes, are
25 amended to read.

26 663.12 Fees; assessments; fines.--

27 (1) Each application for a license under the
28 provisions of this part shall be accompanied by a
29 nonrefundable filing fee payable to the department in the
30 following amount:

1 (e) Two thousand dollars annually for operating an
2 international representative office or international
3 administrative office ~~the annual renewal of an existing~~
4 license.

5 (2) Each international bank agency, international
6 branch and state-chartered investment company shall pay to the
7 department a semiannual assessment, payable on or before
8 January 31 and July 31 of each year, in an amount determined
9 by rule by the department and calculated in a manner so as to
10 recover the costs of the department incurred in connection
11 with the supervision of international banking activities
12 licensed under this part. These rules shall provide for
13 uniform rates of assessment for all licenses of the same type,
14 shall provide for declining rates of assessment in relation to
15 the total assets of the licensee held in the state, but shall
16 not, in any event, provide for rates of assessment which
17 exceed the rate applicable to state banks pursuant to s.
18 658.73, unless the rate of assessment would result in a
19 semiannual assessment of less than \$1,000. For the purposes
20 of this subsection, the total assets of an international bank
21 agency, international branch, or state-chartered investment
22 company shall include amounts due the agency or branch or
23 state investment company from other offices, branches, or
24 subsidiaries of the international banking corporations or
25 other corporations of which the agency, branch, or
26 state-chartered investment company is a part or from entities
27 related to that international banking corporation.

28 Section 14. Sections 667.001, 667.002, 667.003,
29 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010,
30 667.011, 667.012, and 667.013, Florida Statutes, are created
31 to read:

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1 667.001 Short title.--This chapter may be cited as the
2 "Florida Savings Bank Act."

3 667.002 Definitions.--Except to the extent
4 specifically qualified by context, when used in this chapter:

5 (1) "Capital stock" means the aggregate of shares of
6 nonwithdrawable capital issued by a capital stock association,
7 but does not include nonwithdrawable capital represented by
8 capital certificates.

9 (2) "Dwelling unit" means a single, unified
10 combination of rooms which is designed for residential use by
11 one family in a multiple dwelling unit structure and which is
12 not "home property."

13 (3) "Earnings" means that part of the sources
14 available for payment of earnings of a savings bank which is
15 declared payable on savings accounts from time to time by the
16 board of directors and is the cost of savings money to the
17 savings bank. Earnings also may be referred to as "interest."

18 (4) "Home property" means real estate on which is
19 located, or will be located pursuant to a real estate loan, a
20 structure designed for residential use by one family or a
21 single condominium unit, including common elements pertinent
22 to such unit, designed for residential use by one family in a
23 multiple-dwelling-unit structure or complex and including
24 fixtures, home furnishings, and equipment.

25 (5) "Liquid assets" means:

26 (a) Cash on hand.

27 (b) Cash on deposit in a federal home loan bank or
28 federal reserve bank, or a state bank which performs similar
29 reserve functions, and which is withdrawable upon not more
30 than 30 days' notice and which is not pledged as security for
31 indebtedness. Any deposits in a financial depository

1 institution under the control of or in the possession of any
2 supervisory authority are not liquid assets.

3 (c) Obligations of, or obligations which are fully
4 guaranteed as to principal and interest by, the United States
5 or this state.

6 (d) Such other assets as may be approved by the
7 department which are accepted as liquid assets for federally
8 insured savings banks by the appropriate federal regulatory
9 agency.

10 (6) "Net income" means gross revenues for an
11 accounting period, less all expenses paid or incurred, taxes,
12 and losses sustained as shall not have been charged to
13 reserves pursuant to the provisions of this chapter.

14 (7) "Primarily residential property" means real estate
15 on which there is located, or will be located pursuant to a
16 real estate loan:

17 (a) Any structure designed or used primarily for
18 residential rather than nonresidential purposes and consisting
19 of more than one dwelling unit.

20 (b) Any structure designed or used primarily for
21 residential rather than nonresidential purposes for students,
22 residents and persons under care, employees, or members of the
23 staff of an educational, health, or welfare institution or
24 facility.

25 (c) Any structure which is used in part for
26 residential purposes for not more than one family and in part
27 for business purposes, provided the residential use of such
28 structure must be substantial and permanent, not merely
29 transitory.

30 (8) "Real estate loan" means any loan or other
31 obligation secured by a lien on real estate in any state held

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1 in fee or in a leasehold extending or renewable automatically
2 for a period of at least 15 years beyond the date scheduled
3 for the final principal payment of such loan or obligation, or
4 any transaction out of which a lien or claim is created
5 against such real estate, including, but not limited to, the
6 purchase of such real estate in fee by a savings bank and the
7 concurrent or immediate sale of such real estate on
8 installment contract.

9 (9) "Savings account" means that part of the savings
10 liability of the savings bank which is credited to the account
11 of the holder of such account. A savings account also may be
12 referred to as a "savings deposit."

13 (10) "Savings bank" means a capital stock or mutual
14 savings bank subject to the provisions of this chapter.

15 (11) "Savings liability" means the aggregate amount of
16 savings accounts of depositors, including earnings credited to
17 such accounts, less redemptions and withdrawals.

18 (12) "State savings bank" means any savings bank which
19 has an existing savings bank charter issued pursuant to the
20 provisions of the financial institutions codes.

21 (13) "Stockholder" means the holder of one or more
22 shares of any class of capital stock of a capital stock
23 savings bank organized or operating pursuant to the provisions
24 of this chapter.

25 667.003 Applicability of chapter 658.--Any state
26 savings banks is subject to all the provisions, and entitled
27 to all the privileges, of the financial institutions codes
28 except where it appears, from the context or otherwise, that
29 such provisions clearly apply only to banks or trust companies
30 organized under the laws of this state or the United States.
31 Without limiting the foregoing general provisions, it is the

1 intent of the Legislature that the following provisions apply
2 to a savings bank to the same extent as if the savings bank
3 were a "bank" operating under such provisions:

4 (1) Section 658.12, relating to definitions.

5 (2) Section 658.16, relating to creation of banking or
6 trust corporation.

7 (3) Section 658.19, relating to application for
8 authority to organize a bank or trust company.

9 (4) Section 658.20, relating to investigation by
10 department.

11 (5) Section 658.21, relating to approval of
12 application; findings required.

13 (6) Section 658.22, relating to coordination with
14 federal agencies.

15 (7) Section 658.23, relating to submission of articles
16 of incorporation; contents; form; approval; filing;
17 commencement of corporate existence; bylaws.

18 (8) Section 658.235, relating to subscriptions for
19 stock; approval of major shareholders.

20 (9) Section 658.24, relating to organizational
21 procedures.

22 (10) Section 658.25, relating to opening for business.

23 (11) Section 658.26, relating to places of transacting
24 business; branches; facilities.

25 (12) Section 658.295, relating to interstate banking.

26 (13) Section 658.2953, relating to interstate
27 branching.

28 (14) Section 658.30, relating to application of the
29 Florida Business Corporation Act.

30 (15) Section 658.32, relating to annual meetings.

31

- 1 (16) Section 658.33, relating to directors, number,
2 qualifications; officers.
- 3 (17) Section 658.34, relating to shares of capital
4 stock.
- 5 (18) Section 658.35, relating to share options;
6 warrants.
- 7 (19) Section 658.36, relating to changes in capital.
- 8 (20) Section 658.37, relating to dividends and
9 surplus.
- 10 (21) Section 658.38, relating to deposit insurance.
- 11 (22) Section 658.39, relating to stockholders;
12 examination of records.
- 13 (23) Section 658.40, relating to definitions for
14 merger and consolidation.
- 15 (24) Section 658.41, relating to merger; resulting
16 state or national bank.
- 17 (25) Section 658.42, relating to plan of merger and
18 merger agreement.
- 19 (26) Section 658.43, relating to approval by
20 department; valuation of assets; emergency action.
- 21 (27) Section 658.44, relating to approval by
22 stockholders; rights of dissenters; preemptive rights.
- 23 (28) Section 658.45, relating to certificate of merger
24 and effective date; effect on charters and powers.
- 25 (29) Section 658.46, relating to loans.
- 26 (30) Section 658.49, relating to loans by banks not
27 exceeding \$50,000.
- 28 (31) Section 658.491, relating to commercial loans by
29 financial institutions.
- 30 (32) Section 658.51, relating to banks authorized to
31 make commodity loans.

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1 (33) Section 658.53, relating to borrowing; limits of
2 indebtedness.

3 (34) Section 658.60, relating to depositories of
4 public moneys and pledge of assets.

5 (35) Section 658.65, relating to remote financial
6 service units.

7 (36) Section 658.67, relating to investment powers and
8 limitations.

9 (37) Section 658.73, relating to fees and assessments.

10 (38) Section 658.79, relating to taking possession of
11 insolvent state banks or trust companies.

12 (39) Section 658.80, relating to appointment of
13 receiver or liquidator.

14 (40) Section 658.81, relating to department action;
15 notice and court confirmation.

16 (41) Section 658.82, relating to receiver; powers and
17 duties.

18 (42) Section 658.83, relating to liquidator; powers
19 and duties.

20 (43) Section 658.84, relating to transfers by banks
21 and other acts in contemplation of insolvency.

22 (44) Section 658.90, relating to receivers or
23 liquidators under supervision of department.

24 (45) Section 658.94, relating to prima facie evidence.

25 (46) Section 658.95, relating to voluntary
26 liquidation.

27 (47) Section 658.96, relating to procedure in
28 voluntary liquidation.

29 667.004 Name.--The name of every savings bank shall
30 include the words "savings bank." The use of the words
31 "National," "Federal," "United States," "insured," or

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1 "guaranteed," separately or in any combination thereof with
2 other words or syllables, is prohibited as part of the
3 corporate name of a savings bank.

4 667.005 Reorganization, merger, or consolidation with
5 a foreign savings bank.--

6 (1) A savings bank shall have the power to reorganize,
7 merge, or consolidate with a foreign savings bank, as defined
8 in s. 667.013, subject to the approval of the department.

9 (2) If the resulting or surviving savings bank is to
10 be a foreign savings bank, the department shall not approve
11 the proposed transaction unless:

12 (a) The laws of the state in which the foreign savings
13 bank has its principal place of business permit savings banks
14 in that state to reorganize, merge, or consolidate with
15 Florida savings banks in transactions in which the resulting
16 or surviving savings bank is a Florida savings bank.

17 (b) The constituent Florida savings bank has been in
18 existence and continuously operating for more than 2 years.

19 (3) A proposed transaction in which the resulting or
20 surviving savings bank is to be a foreign savings bank shall
21 be subject to any conditions, restrictions, and requirements
22 that would apply in the state where the foreign savings bank
23 has its principal place of business if the resulting or
24 surviving savings bank were to be a Florida savings bank,
25 which conditions, restrictions, and requirements would not
26 apply to a reorganization, merger, or consolidation of savings
27 banks all of which are located in that state.

28 (4) A foreign savings bank which is the resulting or
29 surviving savings bank in a reorganization, merger, or
30 consolidation with a Florida savings bank shall not be
31 considered a Florida savings bank.

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1 (5) Each application for reorganization, merger, or
2 consolidation with a foreign savings bank shall be accompanied
3 by a nonrefundable filing fee as provided in s. 658.73(2)(g).

4 667.006 Conversion of state or federal mutual savings
5 bank or state or federal mutual association to capital stock
6 savings bank --

7 (1) CONVERSION INTO CAPITAL STOCK SAVINGS BANK.--Any
8 state or federal mutual savings bank or state or federal
9 mutual association may apply to the department for permission
10 to convert itself into a capital stock savings bank operated
11 under the provisions of this chapter in accordance with the
12 following procedures:

13 (a) The board of directors shall approve a plan of
14 conversion by resolution adopted by a majority vote of all the
15 directors. The plan shall include, but not be limited to:

16 1. Financial statements of the savings bank as of the
17 last day of the month preceding adoption of the plan.

18 2. Such financial data as may be required to determine
19 compliance with applicable regulatory requirements respecting
20 financial condition.

21 3. A provision that each savings account holder of the
22 mutual savings bank will receive a withdrawable account in the
23 capital stock savings bank equal in amount to his withdrawable
24 account in the mutual savings bank.

25 4. A provision that each member of record will be
26 entitled to receive rights to purchase voting common stock.

27 5. Pro forma financial statements of the savings bank
28 as a capital stock savings bank, which shall include data
29 required to determine compliance with applicable regulatory
30 requirements respecting financial condition.

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1 6. With particularity, the business purpose to be
2 accomplished by the conversion.

3 7. Such other information as the department may
4 require by rule.

5 (b) The plan of conversion shall be executed by a
6 majority of the board of directors and submitted to the
7 department for approval prior to any vote on conversion by the
8 members.

9 (c) The department may approve or disapprove the plan
10 in its discretion, but it shall not approve the plan unless it
11 finds that the savings bank will comply sufficiently with the
12 requirements of the financial institutions codes after
13 conversion to entitle it to become a savings bank operating
14 under the financial institutions codes and the rules of the
15 department. The department may deny any application from any
16 federal savings bank that is subject to any cease and desist
17 order or other supervisory restriction or order imposed by any
18 state or the federal supervisory authority, or insurer, or
19 guarantor or that has been convicted of, or pled guilty or
20 nolo contendere to, a violation of s. 655.50, relating to the
21 Florida Control of Money Laundering in Financial Institutions
22 Act; chapter 896, relating to offenses related to financial
23 transactions; or any similar state or federal law.

24 (d) If the department approves the plan of conversion,
25 the question of such conversion may be submitted to the
26 members at a meeting of voting members called to consider such
27 action. A vote of 51 percent or more of the total number of
28 votes eligible to be cast shall be required for approval,
29 unless federal law permits a lesser percentage of votes for a
30 federal mutual savings bank to convert, in which case that
31 percentage shall control. Notice of the meeting, giving the

1 time, place, and purpose thereof, together with a proxy
2 statement and proxy form covering all matters to be brought
3 before the meeting, shall be mailed at least 30 days prior to
4 the meeting to the department for review and to each voting
5 member at his or her last address as shown on the books of the
6 savings bank.

7 (2) MINUTES OF MEETING.--Copies of the minutes of the
8 meeting of members, verified by the affidavit of the secretary
9 or assistant secretary of the savings bank, shall be filed
10 with the department and with the appropriate federal
11 regulatory agency, within a reasonable time after the meeting.
12 When so filed, the verified copies of the minutes are
13 presumptive evidence of the holding of the meeting and of the
14 action taken.

15 (3) FILING OF ARTICLES OF INCORPORATION AND COMMITMENT
16 FOR INSURANCE OF ACCOUNTS.--The directors of the savings bank
17 shall have executed and filed with the department proposed
18 articles of incorporation as provided in s. 658.23, together
19 with the application for conversion and a firm commitment for,
20 or evidence of, insurance of deposits and other accounts of a
21 withdrawable type. The articles shall contain a statement that
22 the savings bank resulted from the conversion of a state or
23 federal mutual savings bank to a capital stock savings bank.
24 Approval by the department shall be affixed to the articles of
25 incorporation. A copy of the articles of incorporation shall
26 be filed with the Department of State and one copy of the
27 articles of incorporation and the certificate of incorporation
28 shall be returned to the savings bank. The savings bank shall
29 cease to be a mutual savings bank at the time and on the date
30 specified in the approved articles of incorporation.
31

1 (4) SUCCESSION.--Upon conversion of a mutual savings
2 bank, the legal existence of the savings bank shall not
3 terminate, but the capital stock savings bank shall be a
4 continuation of the entity of the mutual savings bank, and all
5 property of the mutual savings bank, including its rights,
6 titles, and interests in and to all property of whatever kind,
7 whether real, personal, or mixed, things in action, and every
8 right, privilege, interest, and asset of every conceivable
9 value or benefit then existing or pertaining to it, or which
10 would inure to it, immediately, by act of law and without any
11 conveyance or transfer and without any further act or deed,
12 shall vest and remain in the capital stock savings bank into
13 which the mutual savings bank has converted. The capital stock
14 savings bank shall have, hold, and enjoy the same in its own
15 right as fully and to the same extent as the same was
16 possessed, held, and enjoyed by the mutual savings bank. The
17 capital stock savings bank, upon the taking effect of the
18 conversion, shall continue to have and succeed to all the
19 rights, obligations, and relations of the mutual savings bank.
20 All pending actions and other judicial proceedings to which
21 the mutual savings bank is a party shall not be abated or
22 discontinued by reason of the conversion but may be prosecuted
23 to final judgment, order, or decree in the same manner as if
24 the conversion had not been made, and the capital stock
25 savings bank resulting from the conversion may continue the
26 actions in its corporate name as a mutual savings bank. Any
27 judgment, order, or decree may be rendered for or against it
28 which might have been rendered for or against the mutual
29 savings bank theretofore involved in the proceedings.

30 (5) FEE.--The application for conversion from a state
31 or federal mutual to a state capital stock savings bank shall

1 be accompanied by a nonrefundable filing fee of \$7,500.
2 Additionally, the department is authorized to assess any
3 savings bank applying to convert pursuant to this section a
4 nonrefundable examination fee to cover the actual costs of any
5 examination required as part of the application process,
6 667.007 Supervisory case; emergency conversion,
7 reorganization, merger; consolidation; acquisition of
8 assets.--

9 (1) The department may determine that a state or
10 federal savings bank is a supervisory case if it finds that:

11 (a) The savings bank is insolvent; or

12 (b) The savings bank is imminently insolvent.

13
14 Any such finding by the department shall be based upon reports
15 furnished to it by a state or federal regulatory agency or
16 upon other evidence from which it is reasonable to conclude
17 that the savings bank is a supervisory case.

18 (2) Notwithstanding any other provision of this
19 chapter or chapter 120, if the department finds that immediate
20 action is necessary to protect the interests of depositors and
21 reduce the potential for claims against the insurance fund, or
22 in order to prevent the probable failure of a state or federal
23 savings bank which is a supervisory case, the department shall
24 have the power, with the concurrence of the appropriate
25 federal regulatory agency in the case of any savings bank the
26 deposits of which are federally insured, to issue an emergency
27 order authorizing:

28 (a) The conversion of such savings bank from a state
29 to a federal charter, or vice versa, without change of
30 business form;

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1 (b) The reorganization, merger, or consolidation of
2 such state or federal savings bank with another state or
3 federal savings bank.

4 (c) The conversion of such state or federal savings
5 bank into a state or federal capital stock savings bank, or

6 (d) Any state or federal savings bank to acquire the
7 assets of, and assume the liabilities of, such failing savings
8 bank.

9 667,006 Acquisition of assets of or control over a
10 savings bank.--

11 (1)(a) In any case in which a person or group of
12 persons proposes to purchase or acquire voting common stock of
13 any capital stock savings bank, which purchase or acquisition
14 would cause such person or group of persons to have control,
15 as defined herein, of that savings bank, such person or group
16 of persons must first make application to the department for a
17 certificate of approval of such purchase or acquisition.

18 (b) An application for control shall be in such form
19 and request such information as the department may require by
20 rule.

21 (c) The application for control shall be accompanied
22 by a nonrefundable filing fee of \$7,500; however, if more than
23 one savings bank is being acquired in any such application,
24 the fee shall be increased by \$3,000 for each additional
25 savings bank.

26 (2) The department shall issue the certificate of
27 approval only after it has made an investigation and
28 determined that:

29 (a) The proposed new owner or owners of voting capital
30 stock are qualified by character, experience, and financial
31 responsibility to control the savings bank in a legal and

1 proper manner and none of the proposed new owners have been
2 convicted of, or pled guilty or nolo contendere to, a
3 violation of s. 655.50, relating to the Florida Control of
4 Money Laundering in Financial Institutions Act; chapter 896,
5 relating to offenses related to financial transactions; or any
6 similar state or federal law.

7 (b) The interests of the public generally will not be
8 jeopardized by the proposed purchase or acquisition of voting
9 capital stock.

10 (3) This section does not apply to the acquisition of:

11 (a) Directors' voting proxies acquired in the normal
12 course of business as a result of proxy solicitation in
13 conjunction with a stockholders' meeting;

14 (b) Stock in a fiduciary capacity unless the acquiring
15 person has sole discretionary authority to exercise voting
16 rights with respect thereto;

17 (c) Stock acquired in securing or collecting a debt
18 contracted in good faith until 2 years after the date of
19 acquisition;

20 (d) Stock acquired by an underwriter in good faith and
21 without any intent to evade the purpose of this section if the
22 shares are held only for such reasonable period of time as
23 will permit the sale thereof; or

24 (e) Control of a savings bank by a unitary savings
25 bank holding company if the person or persons who control the
26 holding company are the same person or persons who control the
27 savings bank.

28 (4) For purposes of this section, a person or group of
29 persons shall be deemed to have control of a savings bank if
30 such person or group of persons:

1 (a) Directly or indirectly, or acting in concert with
2 one or more persons or through one or more subsidiaries, owns,
3 controls, holds the power to vote, or holds proxies
4 representing more than 25 percent of the voting common stock
5 of such savings bank.

6 (b) Controls in any manner the election of a majority
7 of the directors of such savings bank.

8 (c) Exercises a controlling influence over the
9 management or policies of such savings bank.

10 (d) Owns, controls, or has power to vote 10 percent or
11 more of any class of voting securities of the savings bank, if
12 no other person or group of persons owns, controls, or has
13 power to vote a greater proportion of that class of voting
14 securities. In any case in which a proposed purchase or
15 acquisition of voting securities of a savings bank would give
16 rise to the presumption created under this paragraph, the
17 person or group of persons who proposes to purchase or acquire
18 the voting securities shall first give written notice of the
19 proposal to the department. Such notice may present
20 information that the proposed purchase or acquisition will not
21 result in control. The department shall afford the person
22 seeking to rebut the presumption an opportunity to present
23 views in writing or orally before its designated
24 representatives at an informal conference.

25 (5)(a) A foreign savings bank, as defined in s.
26 667.013, whether controlled directly or indirectly by another
27 business organization, may acquire a Florida savings bank,
28 subject to approval by the department. The department shall
29 not approve the proposed acquisition unless:

1 1. The laws of the state in which the foreign savings
2 bank has its principal place of business permit savings banks
3 in that state to be acquired by Florida savings banks.

4 2. The Florida savings bank which is to be acquired
5 has been in existence and continuously operating for more than
6 2 years.

7 (b) The proposed acquisition shall be subject to any
8 conditions, restrictions, and requirements that would apply in
9 the state where the foreign savings bank has its principal
10 place of business if the foreign savings bank were to be
11 acquired by a Florida savings bank, which conditions,
12 restrictions, and requirements would not apply to the
13 acquisition by such foreign savings bank of another savings
14 bank in that state.

15 (c) This subsection does not apply to any merger by a
16 savings bank subject to s. 123 of Pub. L. No. 97-320.

17 667 009 Powers of savings bank generally.--Every
18 savings bank incorporated pursuant to or operating under the
19 provisions of the financial institutions codes shall have all
20 the powers enumerated, authorized, and permitted by this
21 chapter and such other rights, privileges, and powers as may
22 be incidental to or reasonably necessary or appropriate for
23 the accomplishment of the objectives and purposes of the
24 savings bank. Except as otherwise limited by the provisions of
25 the financial institutions codes, every savings bank shall
26 have the following powers:

27 (1) PROPERTY TRANSFERS.--To acquire, hold, sell,
28 dispose of, and convey real and personal estate consistent
29 with its objects and powers; to mortgage, pledge, or lease any
30 real or personal estate; and to take property by gifts,
31 devise, or bequest.

1 (2) SUBORDINATED DEBT --To issue and sell, directly or
2 through underwriters, subordinated debt which shall represent
3 nonwithdrawable capital contributions and shall constitute
4 part of the equity capital of the savings bank. Such debt
5 shall have no voting rights; shall be subordinate to all
6 savings accounts, debt obligations, and claims of creditors of
7 the savings bank, and shall constitute a claim in liquidation
8 against any other equity capital account remaining after the
9 payment in full of all savings accounts, debt obligations, and
10 claims of creditors. Such subordinated debt shall be entitled
11 to the payment of earnings prior to the allocation of any
12 income to surplus or other equity capital accounts of the
13 savings bank and may be issued with a fixed rate of earnings
14 or with a prior claim to distribution of a specified
15 percentage of any net income remaining after required
16 allocations to reserves, or a combination thereof. Losses
17 shall be charged against subordinated debt only after other
18 equity capital accounts have been exhausted.

19 (3) SALE OF LOANS.--To sell with or without recourse
20 any loan, including any participating interests therein.

21 (4) SERVICING.--To service loans and investments for
22 others.

23 (5) AGENT.--To act as agent or escrowee for others in
24 any transaction incidental to the operation of its business.

25 (6) LIMITED TRUSTEESHIP.--To act, and receive
26 compensation therefor, as trustee of any trust created or
27 organized in the United States and forming a part of a stock
28 bonus, pension, or profit-sharing plan which qualifies or is
29 qualified for specific tax treatment under s. 401 of the
30 Internal Revenue Code of 1954, as amended, and to act as
31 trustee or custodian of an individual retirement account

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1 within the meaning of s. 408 of such code if the funds of such
2 trust or account are invested only in savings accounts of such
3 savings bank or in obligations or securities issued by such
4 savings bank. All funds held in a fiduciary capacity by any
5 such savings bank under the authority of this subsection may
6 be commingled and consolidated for appropriate purposes of
7 investment, provided that records reflecting each separate
8 beneficial interest are maintained by the fiduciary unless
9 such responsibility is lawfully assumed by another appropriate
10 party.

11 (7) SCHOOL SAVINGS.--To contract with the proper
12 authorities of any public or nonpublic elementary or secondary
13 school or institution of higher learning, or any public or
14 charitable institution caring for minors, for the
15 participation and implementation by the savings bank in any
16 school or institutional thrift or savings plan, and to accept
17 savings accounts at such a school or institution, either by
18 its own collector or by any representative of the school or
19 institution which becomes the agent of the savings bank for
20 such purpose.

21 (8) PAYROLL SAVINGS.--To contract with any employer
22 with respect to the solicitation, collection, and receipt of
23 savings by payroll deduction to be credited to a designated
24 account or accounts of his or her or its employee or employees
25 who voluntarily may participate or with respect to the direct
26 deposit of wages or salary paid by such employer to the
27 account of the employee in a financial depository institution
28 by electronic or other medium upon authorization in writing by
29 the employee and his or her designation of the savings bank or
30 other financial depository institution as the recipient of
31 such deposits.

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1 (9) DRAFTS.--To issue drafts and similar instruments
2 drawn on the savings bank to aid in effecting withdrawals and
3 for other purposes of the savings bank.

4 667.010 Loans.--On an annual average, based on monthly
5 computations, a savings bank shall have invested at least 50
6 percent of assets, other than liquid assets of a savings bank
7 invested in either real estate loans or interests therein on
8 home property or primarily residential property and not more
9 than 30 percent invested in loans for agricultural, business,
10 corporate, or commercial purposes.

11 667.011 Loan expenses.--Every savings bank may require
12 borrowers to pay all reasonable expenses incurred in
13 connection with the making, closing, disbursing, extending,
14 readjusting, or renewing of real estate loans. Without
15 limiting the generality of the foregoing, such expenses may
16 include appraisal, attorney, abstract, recording, and
17 registration fees; title examination; title insurance;
18 mortgage loan insurance, credit report; survey; drawing of
19 papers; escrow services; loan closing costs; and taxes or
20 charges imposed upon or in connection with the making and
21 recording of any loan. Every savings bank also may require
22 borrowers to pay the cost of all other necessary and
23 incidental services rendered by the savings bank or by others
24 in connection with real estate and other loans in such
25 reasonable amounts as may be fixed by the board of directors.
26 Without limiting the generality of the foregoing, such costs
27 may include the costs of services of inspectors, engineers,
28 and architects. Such initial charges may be collected by the
29 savings bank from the borrower and paid to any person,
30 including any director, officer, or employee of the savings
31 bank rendering such services, or paid directly by the

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1 borrower. In lieu of such initial charges to cover such
2 expenses and costs, a savings bank may make a reasonable
3 charge, part or all of which may be retained by the savings
4 bank which renders such service or part or all of which may be
5 paid to others who render such services. The fees and charges
6 authorized by this chapter shall be in addition to interest
7 authorized by law and shall not be deemed to be a part of the
8 interest collected or agreed to be paid on such loans within
9 the meaning of any law of this state which limits the rate of
10 interest which may be exacted in any transaction. No director,
11 officer, or employee of a savings bank shall receive any fee
12 or other compensation of any kind in connection with procuring
13 any loan for a savings bank, except for services actually
14 rendered as provided in this section.

5 667.012 Dealing with successors in interest.--In the
16 case of any investment made by a savings bank in a real estate
17 loan, in the event the ownership of the real estate security
18 or any part thereof becomes vested in a person other than the
19 party or parties originally executing the security
20 instruments, and provided there is not an agreement in writing
21 to the contrary, a savings bank may, without notice to such
22 party or parties, deal with such successor or successors in
23 interest with reference to said mortgage and the debt thereby
24 secured in the same manner as with such party or parties, and
25 may forbear to sue or may extend time for payment of or
26 otherwise modify the terms of the debt secured thereby,
27 without discharging or in any way affecting the original
28 liability of such party or parties thereunder or upon the debt
29 thereby secured.

30 667.013 Foreign savings banks.--
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1 (1) DEFINED.--For the purposes of this section, the
2 term "foreign savings bank" includes any domestic joint
3 venture, business trust, syndicate, firm, company, savings
4 bank, fiduciary, partnership, or corporation, and all other
5 groups or combinations, by whatever name called, actually
6 engaged in the business of a savings bank, the principal
7 business office of which is located outside the territorial
8 limits of this state.

9 (2) ACTION BY DEPARTMENT.--The department is
10 authorized, empowered, and directed to obtain an injunction or
11 to take any other action necessary to prevent any foreign
12 savings bank from unlawfully doing any business of a savings
13 bank in this state.

14 (3) ACTIVITIES NOT CONSIDERED "DOING BUSINESS."--For
15 the purposes of this section and any other law of this state
16 prohibiting, limiting, or regulating the doing of business in
17 this state by foreign savings banks or foreign corporations of
18 any type, any federal savings bank, the principal office of
19 which is located outside this state, and any foreign savings
20 bank which is subject to state or federal supervision, or
21 both, which by law are subject to periodic examination by such
22 supervisory authority and to a requirement of periodic audit,
23 shall not be considered to be doing business in this state by
24 reason of engaging in any of the following activities:

25 (a) The purchase, acquisition, holding, sale,
26 assignment, transfer, collecting, and enforcement of
27 obligations or any interest therein secured by real estate
28 mortgages or other instruments in the nature of a mortgage,
29 covering real property located in this state, or the
30 foreclosure of such instruments, or the acquisition of title
31 to such property by foreclosure, or otherwise, as a result of

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1 default under such instruments, or the holding, protection,
 2 rental, maintenance, and operation of the property so
 3 acquired, or the disposition thereof, provided such savings
 4 banks shall not hold, own, or operate such property for a
 5 period exceeding 5 years without securing the approval of the
 6 department.

7 (b) The advertising or solicitation of savings
 8 accounts or the making of any representation with respect
 9 thereto in this state through the medium of mail, radio,
 10 television, magazines, or newspapers or any other medium which
 11 is published or circulated within this state, provided that
 12 such advertising, solicitation, or the making of such
 13 representations is accurately descriptive of the facts.

14 Section 15 Paragraph (e) of subsection (6) of section
 5 658.295, Florida Statutes, as amended by chapter 96-168, Laws
 16 of Florida, and paragraph (b) of subsection (14) of section
 17 658.2953, Florida Statutes, as created by chapter 96-168, Laws
 18 of Florida, are hereby repealed.

19 Section 16. This act shall take effect October 1,
 20 1997.

21 *****

22 HOUSE SUMMARY

23
 24 Revises various financial institutions provisions to
 25 include application to savings banks. Creates ch. 667,
 26 F.S., as the "Florida Savings Bank Act." Provides for
 27 applicability of specified financial institutions
 28 provisions, for names, for reorganization, merger, or
 9 consolidation with foreign savings banks, for conversion
 of banks or associations to capital stock savings banks,
 for powers and duties of the Department of Banking and
 Finance, for acquisition of assets or control of savings
 banks, for powers of savings banks, for loans and loan
 expenses, for dealing with successors in interest, and
 for foreign savings banks. See bill for details.

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By the Committee on Financial Services and Representative
Haygarden

A bill to be entitled

An act relating to the management and regulation of financial institutions; amending s. 280.02, F.S.; revising a definition; amending s. 655.005, F.S.; revising definitions; amending s. 655.0322, F.S.; applying prohibited acts and practices provisions to state or federal savings banks; providing penalties; amending s. 655.045, F.S.; deleting a report requirement; amending s. 655.41, F.S.; revising a definition; amending s. 655.414, F.S.; requiring approval by the Department of Banking and Finance for a financial entity to acquire certain financial entities; providing for a nonrefundable filing fee; deleting a requirement to file a separate application for each branch office; amending s. 658.21, F.S.; revising criteria for approval of applications; amending s. 658.23, F.S.; clarifying information required in articles of incorporation; amending s. 658.26, F.S.; providing for approval of a branch application under certain circumstances; revising provisions providing for relocation of certain offices in this state; providing a definition; amending s. 658.295, F.S.; revising certain acquisition criteria; deleting an obsolete provision; amending s. 658.2953, F.S.; correcting a threshold date reference; deleting certain requirements for notice of establishment and maintenance of a branch in

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1 this state by an out-of-state bank; revising
2 certain filing requirements and trust powers;
3 amending s. 658.73, F.S.; revising application
4 fee provisions; providing for partial refund
5 under certain circumstances; amending s.
6 663.06, F.S.; providing for indefinite
7 operation of an international banking
8 corporation; deleting temporary operation
9 provisions; amending s. 663.12, F.S.;
10 clarifying certain filing fee provisions;
11 creating ss. 667.001-667.013, F.S.; providing a
12 short title; providing definitions; providing
13 applicability; providing for a name; providing
14 for reorganization, merger, or consolidation;
15 providing for conversion of certain banks or
16 associations to capital stock savings banks;
17 providing requirements; imposing a fee;
18 providing powers and duties of the department
19 under certain circumstances; providing for
20 acquisition of assets or control of savings
21 banks; providing criteria and requirements;
22 specifying powers of savings banks; providing
23 for loans and loan expenses; providing for
24 dealing with successors in interest; providing
25 for foreign savings banks; amending s. 737.101,
26 F.S.; clarifying application of principal place
27 of administration provisions to certain trusts;
28 exempting certain financial institutions
29 resulting from an interstate merger transaction
30 from certain prohibitions; providing for future
31 repeal; repealing s. 658.295(6)(e), F.S.,

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1 relating to certain notice of acquisitions;
2 providing effective dates.

3
4 Be It Enacted by the Legislature of the State of Florida:

5
6 Section 1. Effective July 1, 1997, subsection (16) of
7 section 280.02, Florida Statutes, 1996 Supplement, is amended
8 to read:

9 280.02 Definitions.--As used in this chapter, the
10 term:

11 (16) "Qualified public depository" means any bank,
12 ~~savings bank, or savings association that:~~

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

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

20 (c) Has deposit insurance under the provision of the
21 Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811
22 et seq.

23 (d) Meets all the requirements of this chapter.

24 (e) Has been designated by the Treasurer as a
25 qualified public depository organized-and-existing-under-the
26 laws-of-this-state-and-any-bank-or-savings-association
27 organized-under-the-laws-of-the-United-States-that-has-its
28 principal-place-of-business-in-this-state-or-has-a-branch
29 office-which-is-authorized-under-the-laws-of-this-state-or-of
30 the-United-States-to-receive-deposits-in-this-state;-that
31 meets-all-of-the-requirements-of-this-chapter;-and-that-has

1 ~~been designated by the Treasurer as a qualified public~~
2 ~~depository.~~

3 Section 2. Paragraphs (g), (h), and (j) of subsection
4 (1) of section 655.005, Florida Statutes, are amended to read:
5 655.005 Definitions.--

6 (1) As used in the financial institutions codes,
7 unless the context otherwise requires, the term:

8 (g) "Federal financial institution" means a federally
9 or nationally chartered or organized association, bank,
10 savings bank, or credit union.

11 (h) "Financial institution" means a state or federal
12 association, bank, savings bank, trust company, international
13 bank agency, representative office or international
14 administrative office, or credit union.

15 (j) "Financial institutions codes" means:

- 16 1. Chapter 655, relating to financial institutions
17 generally;
- 18 2. Chapter 657, relating to credit unions;
- 19 3. Chapter 658, relating to banks and trust companies;
- 20 4. Chapter 660, relating to trust business;
- 21 5. Chapter 663, relating to international banking
22 corporations; and
- 23 6. Chapter 665, relating to associations; and
- 24 7. Chapter 667, relating to savings banks.

25 Section 3. Subsection (1) of section 655.0322, Florida
26 Statutes, is amended to read:

27 655.0322 Prohibited acts and practices; criminal
28 penalties.--

29 (1) As used in this section, the term "financial
30 institution" means a financial institution as defined in s.
31 655.50 which includes a state trust company, state or national

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1 bank, state or federal association, state or federal savings
2 bank, state or federal credit union, Edge Act or agreement
3 corporation, international bank agency, representative office
4 or administrative office or other business entity as defined
5 by the department by rule, whether organized under the laws of
6 this state, the laws of another state, or the laws of the
7 United States, which institution is located in this state.

8 Section 4. Paragraph (a) of subsection (2) of section
9 655.045, Florida Statutes, is amended to read:

10 655.045 Examinations, reports, and internal audits;
11 penalty.--

12 (2)(a) The department shall require each state
13 financial institution, subsidiary, or service corporation to
14 submit a report, at least four times each calendar year, as of
15 such dates as the department may determine. Each such report
16 ~~must contain a declaration by the chief executive officer or~~
17 ~~any other officer authorized by the board of directors to make~~
18 ~~such declaration that the report is true and correct to the~~
19 ~~best of his knowledge and belief.~~ Such report must include
20 such information as the department by rule requires for that
21 type of institution.

22 Section 5. Subsection (1) of section 655.41, Florida
23 Statutes, is amended to read:

24 655.41 Cross-industry conversions, mergers,
25 consolidations, and acquisitions; definitions used in ss.
26 655.41-655.419.--As used in ss. 655.41-655.419, the term:

27 (1) "Financial entity" means an association, bank,
28 credit union, savings bank, Edge Act or agreement corporation,
29 or trust company organized under the laws of this state or
30 organized under the laws of the United States and having its
31 principal place of business in this state.

1 Section 6. Section 655.414, Florida Statutes, is
2 amended to read:

3 655.414 Acquisition of assets; assumption of
4 liabilities.--With prior approval of the department and upon
5 such conditions as the department prescribes by rule, any
6 financial entity may acquire all or substantially all of the
7 assets of, or assume the liabilities of, any other financial
8 entity in accordance with the procedures and subject to the
9 following conditions and limitations:

10 (1) ADOPTION OF A PLAN.--The board of directors of the
11 acquiring or assuming financial entity and the board of
12 directors of the transferring financial entity must adopt, by
13 a majority vote, a plan for such acquisition, assumption, or
14 sale on such terms as are mutually agreed upon. The plan must
15 include:

16 (a) The names and types of financial entities
17 involved.

18 (b) A statement setting forth the material terms of
19 the proposed acquisition, assumption, or sale, including the
20 plan for disposition of all assets and liabilities not subject
21 to the plan.

22 (c) A provision for liquidation of the transferring
23 financial entity upon execution of the plan.

24 (d) A statement that the entire transaction is subject
25 to written approval of the department and approval of the
26 members or stockholders of the transferring financial entity.

27 (e) If a stock financial institution is the
28 transferring financial entity and the proposed sale is not to
29 be for cash, a clear and concise statement that dissenting
30 stockholders of such financial entity are entitled to the
31 rights set forth in s. 658.44(4) and (5).

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1 (f) The proposed effective date of such acquisition,
2 assumption, or sale and such other information and provisions
3 as may be necessary to execute the transaction or as may be
4 required by the department.

5 (2) APPROVAL OF DEPARTMENT.--Following approval by the
6 board of directors of each participating financial entity, the
7 plan, together with certified copies of the authorizing
8 resolutions adopted by the boards and a completed application
9 with a nonrefundable filing fee, must be forwarded to the
10 department for its approval or disapproval. The department
11 shall approve the plan of acquisition, assumption, or sale if
12 it appears that:

13 (a) The resulting financial entity would have an
14 adequate capital structure in relation to its activities and
15 its deposit liabilities;

16 (b) The plan is fair to all parties; and

17 (c) The plan is not contrary to the public interest.

18
19 If the department disapproves the plan, it shall state its
20 objections and give an opportunity to the parties to amend the
21 plan to overcome such objections.

22 (3) VOTE OF MEMBERS OR STOCKHOLDERS.--If the
23 department approves the plan, it may be submitted to the
24 members or stockholders of the transferring financial entity
25 at an annual meeting or at any special meeting called to
26 consider such action. Upon a favorable vote of 51 percent or
27 more of the total number of votes eligible to be cast or, in
28 the case of a credit union, 51 percent or more of the members
29 present at the meeting, the plan is adopted.

30 (4) ADOPTED PLAN; CERTIFICATE; ABANDONMENT.--
31

1 (a) If the plan is adopted by the members or
2 stockholders of the transferring financial entity, the
3 president or vice president and the cashier, manager, or
4 corporate secretary of such financial entity shall submit the
5 adopted plan to the department, together with a certified copy
6 of the resolution of the members or stockholders approving it.

7 (b) Upon receipt of the certified copies and evidence
8 that the participating financial entities have complied with
9 all applicable federal law and regulations, the department
10 shall certify, in writing, to the participants that the plan
11 has been approved ~~adopted-and-is-in-compliance-with-the~~
12 ~~provisions-of-this-section.~~

13 (c) Notwithstanding approval of the members or
14 stockholders or certification by the department, the board of
15 directors of the transferring financial entity may, in its
16 discretion, abandon such a transaction without further action
17 or approval by the members or stockholders, subject to the
18 rights of third parties under any contracts relating thereto.

19 (5) **FEDERALLY CHARTERED INSTITUTION AS A**
20 **PARTICIPANT.**--If one of the participants in a transaction
21 under this section is a federally chartered financial entity,
22 all participants must also comply with such requirements as
23 may be imposed by federal law for such an acquisition,
24 assumption, or sale and provide evidence of such compliance to
25 the department as a condition precedent to the issuance of a
26 certificate authorizing the transaction; however, if the
27 purchasing or assuming financial entity is a federally
28 chartered financial entity, approval of the department is not
29 required.

30 (6) **STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.**--A
31 mutual financial institution may net sell all or substantially

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1 all of its assets to a stock financial entity until it has
 2 first converted into a capital stock financial institution in
 3 accordance with s. 665.033(1) and (2). For this purpose,
 4 references in s. 665.033(1) and (2) to associations are deemed
 5 to refer also to credit unions; but, in the case of a credit
 6 union, the provision therein concerning proxy statements does
 7 not apply.

8 ~~(7)--BRANCH-OFFICES--If-the-acquisition-of-assets-or~~
 9 ~~assumptions-of-liabilities-includes-any-bank;-association;-or~~
 10 ~~trust-company-branch-office;-a-branch-application-must-be~~
 11 ~~filed-for-each-proposed-branch-office-of-the-acquiring-or~~
 12 ~~acquiring-financial-entity-in-accordance-with-s:-658:26:~~

13 Section 7. Subsections (1) and (4) of section 658.21,
 14 Florida Statutes, are amended to read:

15 658.21 Approval of application; findings
 16 required.--The department shall approve the application if it
 17 finds that:

18 (1) ~~Public-convenience-and-advantage-will-be-promoted~~
 19 ~~by-the-establishment-of-the-proposed-state-bank-or-trust~~
 20 ~~company--Additionally; Local conditions indicate reasonable~~
 21 ~~promise of successful operation for the proposed state bank or~~
 22 ~~trust company and-these-financial-institutions-already~~
 23 ~~established-in-the-primary-service-area. In determining~~
 24 ~~whether an applicant meets the requirements of this~~
 25 ~~subsection, the department shall consider all materially~~
 26 ~~relevant factors, including:~~

27 (a) The purpose, objectives, and business philosophy
 28 growth-rate;-size;-location;-financial-strength;-and-operating
 29 characteristics-of-financial-institutions-in-the-primary
 30 service-area of the proposed state bank or trust company.

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1 (b) The projected financial performance of the
2 proposed bank or trust company growth, economic, and
3 demographic characteristics of the primary service areas and
4 the metropolitan statistical area or county.

5 (c) The feasibility of the proposed bank or trust
6 company, as stated in the business plan, particularly with
7 respect to asset and liability growth and management.

8 (4) The proposed officers have sufficient financial
9 institution experience, ability, standing, and reputation and
10 the proposed directors have sufficient business experience,
11 ability, standing, and reputation to indicate reasonable
12 promise of successful operation, and none of the proposed
13 officers or directors has been convicted of, or pled guilty or
14 nolo contendere to, any violation of s. 655.50, relating to
15 the Florida Central of Money Laundering in Financial
16 Institutions Act; chapter 896, relating to offenses related to
17 financial institutions; or any similar state or federal law.
18 At least one of the proposed directors who is not also a
19 proposed officer shall have had at least 1 year direct
20 experience as an executive officer, regulator, or director of
21 a financial institution within 3 years of the date of the
22 application. This requirement may be waived by the department
23 if the applicant demonstrates that the proposed director has
24 very substantial experience as an executive officer, director,
25 or regulator of a financial institution more than 3 years
26 before the date of the application. The proposed president or
27 chief executive officer shall have had at least 1 year of
28 direct experience as an executive officer, director, or
29 regulator of a financial institution within the last 3 years.
30 Section 8. Paragraph (g) of subsection (2) of section
31 658.23, Florida Statutes, is amended to read:

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1 **658.23 Submission of articles of incorporation;**
 2 **contents; form; approval; filing; commencement of corporate**
 3 **existence; bylaws.--**

4 (2) The articles of incorporation shall contain:

5 (g) The number of directors, which shall be five or
 6 more, and the names and street addresses of the members of the
 7 initial first board of directors.

8
 9 The department shall provide to the proposed directors fern
 10 articles of incorporation which shall include only those
 11 provisions required by this section or by chapter 607. The
 12 form articles shall be acknowledged by the proposed directors
 13 and returned to the department for filing with the Department
 14 of State.

15 Section 9. Section 658.26, Florida Statutes, 1996
 16 Supplement, is amended to read:

17 **658.26 Places of transacting business; branches;**
 18 **facilities.--**

19 (1) Any bank or trust company heretofore or hereafter
 20 incorporated pursuant to this chapter shall have one main
 21 office, which shall be located within the state.

22 (2)(a) In addition, with the approval of the
 23 department and upon such conditions as the department
 24 prescribes, any bank or trust company may establish branches
 25 within or outside the state. With the approval of the
 26 department upon a determination that the resulting bank or
 27 trust company will be of sound financial condition, any bank
 28 or trust company incorporated pursuant to this chapter may
 29 establish branches by merger with any other bank or trust
 30 company.

1 (b) An application for a branch shall be in writing in
2 such form as the department prescribes and be supported by
3 such information, data, and records as the department may
4 require to make findings necessary for approval. Applications
5 filed pursuant to this subsection shall not be published in
6 the Florida Administrative Weekly but shall otherwise be
7 subject to the provisions of chapter 120. Upon the filing of
8 an application and a nonrefundable filing fee for the
9 establishment of any branch permitted by paragraph (a), the
10 department shall make an investigation with respect to
11 compliance with the requirements of paragraph (a) and shall
12 investigate and consider all factors relevant to such
13 requirements, including the following:

14 1. The sufficiency of capital accounts in relation to
15 the deposit liabilities of the bank, or in relation to the
16 number and valuation of fiduciary accounts of the trust
17 company, including the proposed branch, and the additional
18 fixed assets, if any, which are proposed for the branch and
19 its operations, without undue risk to the bank or its
20 depositors, or undue risk to the trust company or its
21 fiduciary accounts;

22 2. The sufficiency of earnings and earning prospects
23 of the bank or trust company to support the anticipated
24 expenses and any anticipated operating losses of the branch
25 during its formative or initial years;

26 3. The sufficiency and quality of management available
27 to operate the branch;

28 4. The name of the proposed branch to determine if it
29 reasonably identifies the branch as a branch of the main
30 office and is not likely to unduly confuse the public; and
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1 5. Substantial compliance by the applicants with
2 applicable law governing their operations.

3 (c) A branch application, filed by a strong,
4 well-managed state bank or trust company, which is not denied
5 within 10 working days after receipt of the application shall
6 be deemed approved unless the department notifies the
7 financial institution in writing that the application was not
8 complete.

9 (3)(a) An office in this state which ~~has been in~~
10 ~~operation for at least 18 months~~ may be relocated within this
11 ~~state upon 30 days' prior written notification to the~~
12 ~~department:--An office in this state which has been open for~~
13 ~~less than 18 months may be relocated within this state with~~
14 ~~prior written approval of the department; if the relocation~~
15 ~~will not create an unsafe and unsound condition. An~~
16 application for relocation shall be in writing in such form as
17 the department prescribes and shall be supported by such
18 information, data, and records as the department may require
19 to make findings necessary for approval. Additional
20 ~~investments in land; buildings; leases; and leasehold~~
21 ~~improvements resulting from such relocation shall comply with~~
22 ~~the limitations imposed by s. 658.67(7)(a):--The location of~~
23 ~~an office may not be moved beyond the limits of the county or~~
24 ~~counties in which the bank or trust company maintains~~
25 ~~authorized bank or trust company offices and may not be moved~~
26 ~~outside this state unless expressly authorized by the~~
27 ~~financial institutions codes or by federal law;~~

28 (b) Applications filed pursuant to this subsection
29 shall not be published in the Florida Administrative Weekly
30 but shall otherwise be subject to the provisions of chapter
31 120. However, an application for the relocation of a main

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1 office that has not been in operation for at least 24 months
2 shall be published in the Florida Administrative Weekly. Upon
3 the filing of a relocation application and a nonrefundable
4 filing fee, the department shall investigate to determine
5 substantial compliance by the financial institution with
6 applicable law governing its operations. Additional
7 investments in land, buildings, leases, and leasehold
8 improvements resulting from such relocation shall comply with
9 the limitations imposed by s. 658.67(7)(a). A main office may
10 not be moved outside this state unless expressly authorized by
11 the financial institutions codes or by federal law. The
12 redesignation-of-a-main-office-and-a-branch-office-within-this
13 state-may-be-made-with-prior-written-notification-to-the
14 department--However--the-redesignation-of-the-main-office
15 during-the-bank-or-trust-company's-first-18-months-of
16 operation-requires-the-prior-written-approval-of-the
17 department:

18 (c) A relocation application, filed by a strong,
19 well-regarded state bank or trust company, which is not denied
20 within 10 working days after receipt shall be deemed approved
21 unless the department notifies the financial institution in
22 writing that the application was not complete.

23 (d) In addition to the application required by
24 paragraph (a), a financial institution whose main office in
25 this state has been in operation less than 24 months must
26 provide evidence that the criteria of s. 658.21(1) will be
27 met.

28 (e) With 30 days' prior written notice, an established
29 branch office may be consolidated with another established
30 branch office when the two offices are located within a 1-mile
31

1 radius. The notice shall include any information the
2 department may prescribe by rule.

3 (f) A branch office may be closed with 30 days' prior
4 written notice to the department. The notice shall include any
5 information the department may prescribe by rule.

6 (4) With prior written notification to the department,
7 any bank may operate facilities which are not physically
8 connected to the main or branch office of the bank, provided
9 that the facilities are situated on the property of the main
10 or branch office or property contiguous thereto. Property
11 which is separated from the main or branch office of a bank by
12 only a street, and one or more walkways and alleyways are
13 determined to be, for purposes of this subsection, contiguous
14 to the property of the main or branch office.

15 (5) A bank may provide, directly or through a contract
16 with another company, off-premises armored car service to its
17 customers. Armored car services shall not be considered a
18 branch for the purposes of subsection (2).

19 (6)(a) Any state bank that is a subsidiary of a bank
20 holding company may agree to receive deposits, renew time
21 deposits, close loans, service loans, and receive payments on
22 loans and other obligations, as an agent for an affiliated
23 depository institution.

24 (b) The term "close loan" does not include the making
25 of a decision to extend credit or the extension of credit.

26 (c) As used in this section, "receive deposits" means
27 the taking of deposits to be credited to an existing account
28 and does not include the opening or origination of new deposit
29 accounts at an affiliated institution by the agent
30 institution.

1 (d) Under this section, affiliated banks may act as
2 agents for one another regardless of whether the institutions
3 are located in the same or different states. This section
4 applies solely to affiliated depository institutions acting as
5 agents, and has no application to agency relationships
6 concerning nondepositories as agent, whether or not affiliated
7 with the depository institution.

8 (e) In addition, under this section, agent banks may
9 perform ministerial functions for the principal bank making a
10 loan. Ministerial functions include, but are not limited to,
11 such activities as providing loan applications, assembling
12 documents, providing a location for returning documents
13 necessary for making the loan, providing loan account
14 information, and receiving payments. It does not include such
15 loan functions as evaluating applications or disbursing loan
16 funds.

17
18 For the purposes of this section, a strong, well-managed state
19 bank or trust company is an institution that has been in
20 operation for at least 24 months, is well capitalized, has
21 received a satisfactory rating at the institution's most
22 recent state or federal safety and soundness examination, and
23 is not the object of any enforcement action.

24 Section 10. Paragraph (b) of subsection (3) and
25 paragraph (a) of subsection (8) of section 658.295, Florida
26 Statutes, 1996 Supplement, are amended to read:

27 658.295 Interstate banking.--

28 (3) STATEMENT OF LEGISLATIVE INTENT.--In general,
29 states have a strong interest in the activities and operations
30 of depository institutions doing business within their
31 jurisdictions, regardless of the type of charter an

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1 institution holds. In particular, states have a legitimate
2 interest in protecting the rights of consumers, businesses,
3 and communities. Further, Congress did not intend that the
4 Interstate Banking and Branching Efficiency Act of 1994 alter
5 this balance and thereby weaken states' authority to protect
6 the interests of consumers, businesses, or communities.

7 (b) Nothing in this section shall be construed to
8 prohibit the acquisition by an out-of-state bank holding
9 company of all or substantially all of the shares of a bank
10 organized solely for the purpose of facilitating the
11 acquisition of a bank that has been in existence and
12 continuously operated as a bank for more than 3 2 years, if
13 the acquisition has otherwise been approved pursuant to this
14 section.

15 (8) STANDARDS FOR APPROVAL.--Except as otherwise
16 provided in this section:

17 (a) No direct or indirect acquisition of a Florida
18 bank or a Florida bank holding company by a bank holding
19 company shall be permitted unless the Florida bank or all
20 Florida bank subsidiaries of the bank holding company to be
21 acquired have been in existence and continuously operating, on
22 the date of such acquisition, for more than 3 years. Provided
23 however, ~~that this subsection shall not prohibit approval of~~
24 ~~any acquisition otherwise lawful for which a definitive~~
25 ~~agreement for acquisition is entered into within 6 months of~~
26 ~~the effective date of this statute:~~

27 Section 11. Subsections (2), (6), (8), and (14) of
28 section 658.2953, Florida Statutes, 1996 Supplement, are
29 amended to read:

30 658.2953 Interstate branching.--
31

1 (2) PURPOSE.--The purpose of this section is to permit
2 interstate branching, effective May 31 June-1, 1997, by a
3 merger transaction under s. 102 of the Rieggle-Neal Interstate
4 Banking and Branching Efficiency Act of 1994, Pub. L. No.
5 103-328, in accordance with this section.

6 (6) AUTHORITY OF STATE BANKS TO ESTABLISH INTERSTATE
7 BRANCRES BY MERGER.--Beginning May 31 June-1, 1997, with the
8 prior written approval of the department, a state bank may
9 establish, maintain, and operate one or more branches in a
10 state other than this state pursuant to an interstate merger
11 transaction in which the state bank is the resulting bank. No
12 later than the date on which the required application for the
13 interstate merger transaction is filed with the responsible
14 federal bank regulatory agency, the applicant state bank shall
15 file an application on a form prescribed by the department
16 accompanied by the required fee pursuant to s. 658.73. The
17 applicant shall also comply with the provisions of ss.
18 658.40-658.45. branching.--

19 (8) NOTICE AND FILING REQUIREMENTS.--Any out-of-state
20 bank that will be the resulting bank pursuant to an interstate
21 merger transaction involving a Florida bank shall notify the
22 department of the proposed merger within 15 days after the
23 date on which it files an application for an interstate merger
24 transaction with the appropriate federal regulatory agency. A
25 ~~copy of the application shall be submitted to the department~~
26 ~~accompanied by the required filing fee, pursuant to s. 658.73:~~
27 ~~Any out-of-state bank that shall be the resulting bank in such~~
28 ~~an interstate merger transaction shall comply with applicable~~
29 ~~requirements of ss. 607.1501-607.1532:~~

30 (14) ADDITIONAL BRANCHES; POWERS.--
31

1 (a) An out-of-state bank or bank holding company that
2 has acquired a bank in this state pursuant to s. 658.295, or
3 by interstate merger pursuant to this section, may establish
4 an additional branch or additional branches in this state to
5 the same extent that any Florida bank may establish a branch
6 or branches in this state.

7 (b)--An out-of-state bank desiring to establish and
8 maintain a branch in this state pursuant to this section shall
9 provide written notice of the proposed transaction to the
10 department within 15 days after the date on which the bank
11 applies to the responsible federal bank regulatory agency for
12 approval to establish the branch.--The filing of such notice
13 shall be accompanied by the filing fee pursuant to s. 658.73:

14 (b)(c) An out-of-state bank may conduct only those
15 activities at its Florida branch or branches that are
16 authorized under the laws of this state or of the United
17 States. However, an out-of-state bank with trust powers
18 resulting from an interstate merger transaction with one or
19 more Florida banks with trust powers shall be entitled to and
20 may exercise all trust powers in this state as a Florida bank
21 with trust powers that participated in the transaction.

22 Section 12. Subsections (2) and (3) of section 658.73,
23 Florida Statutes, 1996 Supplement, are amended to read:

24 658.73 Fees and assessments.--

25 (2) Applications filed with the department shall be
26 accompanied by payment of the following nonrefundable fees:

27 (a) Fifteen thousand dollars for each application for
28 authority to organize a new state bank or state trust company.

29 (b) Two thousand five hundred dollars for each
30 application by an existing bank or association for trust
31 powers.

1 (c) Seven thousand five hundred dollars for each
2 application for authority to acquire a controlling interest in
3 a state bank or state trust company; however, if more than one
4 bank or trust company is being acquired in any such
5 application, the fee shall be increased by \$3,500 for each
6 additional bank or trust company. However, in no event shall
7 the fee exceed \$15,000.

8 (d) Seven thousand five hundred dollars for each
9 application for conversion of a national bank to a state bank.

10 (e) ~~Seven~~ Two-thousand-five hundred fifty dollars for
11 each application to establish a branch of a strong,
12 well-managed state bank; ~~an out-of-state bank~~; or a state
13 trust company as defined in s. 658.26. One thousand five
14 hundred dollars for each application to establish a branch by
15 any other state bank or state trust company.

16 (f) One thousand five hundred dollars for each
17 application for authority to establish a trust service office
18 of a state trust company or of a trust department of a state
19 bank or association, and a like amount for each application by
20 a bank or association with trust powers which is not a state
21 bank or state association for authority to establish a trust
22 service office at a state bank, state association, or state
23 credit union.

24 (g) Seven thousand five hundred dollars for each
25 application for a merger or consolidation; however, if three
26 or more banks or trust companies are involved in any such
27 application, the fee shall be \$3,500 for each involved
28 institution. However, in no event shall the fee exceed
29 \$15,000.

30 (h) Two thousand five hundred dollars to establish a
31 successor institution.

1 (i) Two hundred fifty dollars for each application by
2 a strong, well-managed state bank or trust company, as defined
3 in s. 658.26, to relocate the main office of a state bank or a
4 state trust company. Each other state bank or trust company
5 shall pay a fee of \$750 for each application for relocation of
6 its main office. Seven-thousand-five-hundred-dollars-for-each
7 application-by-an-out-of-state-bank-holding-company-to-make-an
8 acquisition-pursuant-to-s:-658:295:

9 (i) Two thousand five hundred dollars for each
10 application for the purchase of assets and the assumption of
11 liabilities. If, as a result of such application, the
12 applicant will establish more than 10 branch offices within
13 this state, an application fee of \$100 is required for each
14 additional branch office.

15 (3)(a) If, as a result of any application filed with
16 the department, the department determines that an examination
17 is necessary to assess the financial condition of any
18 financial institution, the applying financial institution
19 shall pay to the department a nonrefundable examination fee,
20 pursuant to s. 655.045(1).

21 (b) The department may refund up to one-half of the
22 fee submitted with an application if the application is
23 withdrawn by the applicant prior to publication in the Florida
24 Administrative Weekly.

25 (4)(3) The amounts of all fees and assessments
26 provided for in this section shall be deemed to be maximum
27 amounts; and the department has the authority to establish, by
28 rule, and from time to time to change, fees and assessments in
29 amounts less than the maximum amounts stated in this section.

30 Section 13. Section 663.06, Florida Statutes, is
31 amended to read:

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1 669.06 Licenses; permissible activities.--

2 (1) An international banking corporation licensed to
3 operate an office in this state may engage in the business
4 authorized by this part at the office specified in such
5 license for an indefinite such period as is provided in
6 subsection (2) or subsection (3). An international banking
7 corporation may operate more than one international bank
8 agency, international branch, or international representative
9 office, each at a different place of business, provided that
10 each office shall be separately licensed. No license to
11 operate an international bank office is transferable or
12 assignable. However, the location of an international bank
13 office may be changed after notification of the department.
14 Every such license shall be, at all times, conspicuously
15 displayed in the place of business specified therein.

16 ~~(2)--Except as provided in subsection (3); a license to~~
17 ~~operate an international bank agency; international branch;~~
18 ~~international representative office; or international~~
19 ~~administrative office shall be valid for a period of 1 year;~~
20 ~~unless such license is suspended or revoked sooner pursuant to~~
21 ~~subsection (5);--The license may be renewed annually upon~~
22 ~~application to the department; upon forms available for that~~
23 ~~purpose; within 30 days prior to the expiration of the~~
24 ~~license;--The license may be renewed by the department; in its~~
25 ~~discretion; upon its determination; with or without~~
26 ~~examination; that the international banking corporation is in~~
27 ~~a safe and sound condition and has complied with all~~
28 ~~requirements of law with respect to the international bank~~
29 ~~agency; international branch; international representative~~
30 ~~office; or international administrative office; that the~~
31 ~~renewal of the license will not be detrimental to the public~~

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1 interest; and that the renewal has been duly authorized by
2 proper corporate action. Each application for renewal of a
3 license shall be accompanied by the fee prescribed in s.
4 663.42:

5 (3)--Notwithstanding the provisions of subsection (2);
6 the department may, in its discretion, issue a license to an
7 international banking corporation for an indefinite period if
8 it finds that the international banking corporation has
9 satisfied the requirements for renewal of its license and has
10 held a license for the previous 3 years:--However, an
11 indefinite license to operate an international bank agency or
12 international branch may not be issued to an international
13 banking corporation unless it has held one or the other of
14 such licenses for at least 3 years:--A license issued for an
15 indefinite period shall be valid without renewal unless
16 suspended or revoked pursuant to subsection (5):--An
17 international banking corporation that is granted a license
18 for an indefinite period shall file with the department such
19 annual financial statements as the department may require and
20 shall pay an annual fee equal to the annual renewal fee for
21 each license held by the international banking corporation:
22 Such annual fee shall be paid not later than January 31 of
23 each year:

24 (2)(4) An international banking corporation which
25 proposes to terminate the operations of its international bank
26 agency, international branch, international representative
27 office, or international administrative office shall surrender
28 its license to the department and comply with such procedures
29 as the department may prescribe by rule.

30 (3)(5) An international bank agency, international
31 branch, international representative office, or international

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1 administrative office license may be suspended or revoked by
2 the department, with or without examination, upon its
3 determination that the international banking corporation does
4 not meet all requirements for original licensing or any of the
5 criteria established by subsection (2) for renewal of a
6 license. The department may by rule prescribe additional
7 conditions or standards under which the license of an
8 international bank agency, international branch, international
9 representative office, or international administrative office
10 may be suspended or revoked.

11 (5)(6) In the event any such license is surrendered by
12 the international banking corporation or is suspended or
13 revoked by the department, or the renewal thereof is refused
14 by the department; all rights and privileges of the
15 international banking corporation to transact the business
16 thus licensed shall cease. The department shall, by rule,
17 prescribe procedures for the surrender of a license and for
18 the orderly cessation of business by an international banking
19 corporation in a manner which is not harmful to the interests
20 of its customers or of the public.

21 (5)(7) In addition to the activities in which it is
22 expressly permitted to engage:

23 (a) An international branch may engage in any
24 activities permissible for an international bank agency.

25 (b) An international bank agency may engage in any
26 activities permissible for an international administrative
27 office.

28 (c) An international administrative office may engage
29 in any activities permissible for an international
30 representative office.

31

1 Section 14. Paragraph (e) of subsection (1) and
2 subsection (2) of section 663.12, Florida Statutes, are
3 amended to read:

4 663.12 Fees; assessments; fines.--

5 (1) Each application for a license under the
6 provisions of this part shall be accompanied by a
7 nonrefundable filing fee payable to the department in the
8 following amount:

9 (e) Two thousand dollars annually for operating an
10 international representative office or international
11 administrative office ~~the annual renewal of an existing~~
12 ~~license.~~

13 (2) Each international bank agency, international
14 branch and state-chartered investment company shall pay to the
15 department a semiannual assessment, payable on or before
16 January 31 and July 31 of each year, in an amount determined
17 by rule by the department and calculated in a manner so as to
18 recover the costs of the department incurred in connection
19 with the supervision of international banking activities
20 licensed under this part. These rules shall provide for
21 uniform rates of assessment for all licenses of the same type,
22 shall provide for declining rates of assessment in relation to
23 the total assets of the licensee held in the state, but shall
24 not, in any event, provide for rates of assessment which
25 exceed the rate applicable to state banks pursuant to s.
26 658.73, unless the rate of assessment would result in a
27 semiannual assessment of less than \$1,000. For the purposes
28 of this subsection, the total assets of an international bank
29 agency, international branch, or state-chartered investment
30 company shall include amounts due the agency or branch or
31 state investment company from other offices, branches, or

1 subsidiaries of the international banking corporations or
2 other corporations of which the agency, branch, or
3 state-chartered investment company is a part or from entities
4 related to that international banking corporation.

5 Section 15. Sections 667.001, 667.002, 667.003,
6 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010,
7 667.011, 667.012, and 667.013, Florida Statutes, are created
8 to read:

9 667.001 Short title.--This chapter may be cited as the
10 "Florida Savings Bank Act."

11 667.002 Definitions.--Except to the extent
12 specifically qualified by context, when used in this chapter:

13 (1) "Capital stock" means the aggregate of shares of
14 nonwithdrawable capital issued by a capital stock association,
15 but does not include nonwithdrawable capital represented by
16 capital certificates.

17 (2) "Dwelling unit" means a single, unified
18 combination of rooms which is designed for residential use by
19 one family in a multiple dwelling unit structure and which is
20 not "home property."

21 (3) "Earnings" means that part of the sources
22 available for payment of earnings of a savings bank which is
23 declared payable on savings accounts from time to time by the
24 board of directors and is the cost of savings money to the
25 savings bank. Earnings also may be referred to as "interest."

26 (4) "Home property" means real estate on which is
27 located, or will be located pursuant to a real estate loan, a
28 structure designed for residential use by one family or a
29 single condominium unit, including common elements pertinent
30 to such unit, designed for residential use by one family in a

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1 ~~multiple-dwelling-unit structure or complex and including~~
2 ~~fixtures, home furnishings, and equipment.~~

3 (5) "Liquid assets" means:

4 (a) Cash on hand.

5 (b) Cash on deposit in a federal home loan bank or
6 federal reserve bank, or a state bank which performs similar
7 reserve functions, and which is withdrawable upon not more
8 than 30 days' notice and which is not pledged as security for
9 indebtedness. Any deposits in a financial depository
10 institution under the control of or in the possession of any
11 supervisory authority are not liquid assets.

12 (c) Obligations of, or obligations which are fully
13 warranted as to principal and interest by, the United States
14 or this state.

15 (d) Such other assets as may be approved by the
16 department which are accepted as liquid assets for federally
17 insured savings banks by the appropriate federal regulatory
18 agency.

19 (6) "Net income" means gross revenues for an
20 accounting period, less all expenses paid or incurred, taxes,
21 and losses sustained as shall not have been charged to
22 reserves pursuant to the provisions of this chapter.

23 (7) "Primarily residential property" means real estate
24 on which there is located, or will be located pursuant to a
25 real estate loan:

26 (a) Any structure designed or used primarily for
27 residential rather than nonresidential purposes and consisting
28 of more than one dwelling unit.

29 (b) Any structure designed or used primarily for
30 residential rather than nonresidential purposes for students,
31 residents and persons under care, employees, or members of the

1 staff of an educational, health, or welfare institution or
2 facility.

3 (c) Any structure which is used in part for
4 residential purposes for not more than one family and in part
5 for business purposes, provided the residential use of such
6 structure must be substantial and permanent, not merely
7 transitory.

8 (8) "Real estate loan" means any loan or other
9 obligation secured by a lien on real estate in any state held
10 in fee or in a leasehold extending or renewable automatically
11 for a period of at least 15 years beyond the date scheduled
12 for the final principal payment of such loan or obligation, or
13 any transaction out of which a lien or claim is created
14 against such real estate, including, but not limited to, the
15 purchase of such real estate in fee by a savings bank and the
16 concurrent or immediate sale of such real estate on
17 installment contract.

18 (9) "Savings account" means that part of the savings
19 liability of the savings bank which is credited to the account
20 of the holder of such account. A savings account also may be
21 referred to as a "savings deposit."

22 (10) "Savings bank" means a capital stock or mutual
23 savings bank subject to the provisions of this chapter.

24 (11) "Savings liability" means the aggregate amount of
25 savings accounts of depositors, including earnings credited to
26 such accounts, less redemptions and withdrawals.

27 (12) "State savings bank" means any savings bank which
28 has an existing savings bank charter issued pursuant to the
29 provisions of the financial institutions codes.

30 (13) "Stockholder" means the holder of one or more
31 shares of any class of capital stock of a capital stock

1 savings bank organized or operating pursuant to the provisions
2 of this chapter.

3 667.003 Applicability of chapter 658.--Any state
4 savings banks is subject to all the provisions, and entitled
5 to all the privileges, of the financial institutions codes
6 except where it appears, from the context or otherwise, that
7 such provisions clearly apply only to banks or trust companies
8 organized under the laws of this state or the United States.
9 Without limiting the foregoing general provisions, it is the
10 intent of the Legislature that the following provisions apply
11 to a savings bank to the same extent as if the savings bank
12 were a "bank" operating under such provisions:

13 (1) Section 658.12, relating to definitions.

14 (2) Section 658.16, relating to creation of banking or
15 trust corporation.

16 (3) Section 658.19, relating to application for
17 authority to organize a bank or trust company.

18 (4) Section 658.20, relating to investigation by
19 department.

20 (5) Section 658.21, relating to approval of
21 application; findings required.

22 (6) Section 658.22, relating to coordination with
23 federal agencies.

24 (7) Section 658.23, relating to submission of articles
25 of incorporation; contents; form; approval; filing;
26 commencement of corporate existence; bylaws.

27 (8) Section 658.235, relating to subscriptions for
28 stock; approval of major shareholders.

29 (9) Section 658.24, relating to organizational
0 procedures.

31 (10) Section 658.25, relating to opening for business.

- 1 (11) Section 658.26, relating to places of transaction
- 2 business; branches; facilities.
- 3 (12) Section 658.295, relating to interstate banking.
- 4 (13) Section 658.2953, relating to interstate
- 5 branching.
- 6 (14) Section 658.30, relating to application of the
- 7 Florida Business Corporation Act.
- 8 (15) Section 658.32, relating to annual meetings.
- 9 (16) Section 658.33, relating to directors; number.
- 10 qualifications; officers.
- 11 (17) Section 658.34, relating to shares of capital
- 12 stock.
- 13 (18) Section 658.35, relating to share options;
- 14 warrants.
- 15 (19) Section 658.36, relating to changes in capital.
- 16 (20) Section 658.37, relating to dividends and
- 17 surplus.
- 18 (21) Section 658.38, relating to deposit insurance.
- 19 (22) Section 658.39, relating to stockholders;
- 20 examination of records.
- 21 (23) Section 658.40, relating to definitions for
- 22 merger and consolidation.
- 23 (24) Section 658.41, relating to merger; resulting
- 24 state or national bank.
- 25 (25) Section 658.42, relating to plan of merger and
- 26 merger agreement.
- 27 (26) Section 658.43, relating to approval by
- 28 department; valuation of assets; emergency action.
- 29 (27) Section 658.44, relating to approval by
- 30 stockholders; rights of dissenters; preemptive rights.
- 31

1 ~~(28) Section 658.45, relating to certificate of merger~~
2 ~~and effective date; effect on charters and powers.~~

3 (29) Section 658.48, relating to loans.

4 ~~(30) Section 658.49, relating to loans by banks not~~
5 ~~exceeding \$50,000.~~

6 ~~(31) Section 658.491, relating to commercial loans by~~
7 ~~financial institutions.~~

8 ~~(32) Section 658.51, relating to banks authorized to~~
9 ~~make commodity loans.~~

10 ~~(33) Section 658.53, relating to borrowing; limits of~~
11 ~~indebtedness.~~

12 ~~(34) Section 658.60, relating to depositories of~~
13 ~~public moneys and pledge of assets.~~

14 ~~(35) Section 658.65, relating to remote financial~~
15 ~~service units.~~

16 ~~(36) Section 658.67, relating to investment powers and~~
17 ~~limitations.~~

18 (37) Section 658.73, relating to fees and assessments.

19 ~~(38) Section 658.79, relating to taking possession of~~
20 ~~insolvent state banks or trust companies.~~

21 ~~(39) Section 658.80, relating to appointment of~~
22 ~~receiver or liquidator.~~

23 ~~(40) Section 658.81, relating to department action;~~
24 ~~notice and court confirmation.~~

25 ~~(41) Section 658.82, relating to receiver; powers and~~
26 ~~duties.~~

27 ~~(42) Section 658.83, relating to liquidator; powers~~
28 ~~and duties.~~

29 ~~(43) Section 658.84, relating to transfers by banks~~
30 ~~and other acts in contemplation of insolvency.~~

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1 ~~(44) Section 658.90, relating to receivers or~~
2 ~~liquidators under supervision of department.~~

3 ~~(45) Section 658.94, relating to prima facie evidence.~~

4 ~~(46) Section 658.95, relating to voluntary~~
5 ~~liquidation.~~

6 ~~(47) Section 658.96, relating to procedure in~~
7 ~~voluntary liquidation.~~

8 ~~667.004 Name.--The name of every savings bank shall~~
9 ~~include the words "savings bank." The use of the words~~
10 ~~"National," "Federal," "United States," "insured," or~~
11 ~~"guaranteed," separately or in any combination thereof with~~
12 ~~other words or syllables, is prohibited as part of the~~
13 ~~corporate name of a savings bank.~~

14 ~~667.005 Reorganization, merger, or consolidation with~~
15 ~~a foreign savings bank.--~~

16 ~~(1) A savings bank shall have the power to reorganize,~~
17 ~~merge, or consolidate with a foreign savings bank, as defined~~
18 ~~in s. 667.013, subject to the approval of the department.~~

19 ~~(2) If the resulting or surviving savings bank is to~~
20 ~~be a foreign savings bank, the department shall not approve~~
21 ~~the proposed transaction unless:~~

22 ~~(a) The laws of the state in which the foreign savings~~
23 ~~bank has its principal place of business permit savings banks~~
24 ~~in that state to reorganize, merge, or consolidate with~~
25 ~~Florida savings banks in transactions in which the resulting~~
26 ~~or surviving savings bank is a Florida savings bank.~~

27 ~~(b) The constituent Florida savings bank has been in~~
28 ~~existence and continuously operating for more than 2 years.~~

29 ~~(3) A proposed transaction in which the resulting or~~
30 ~~surviving savings bank is to be a foreign savings bank shall~~
31 ~~be subject to any conditions, restrictions, and requirements~~

1 that would apply in the state where the foreign savings bank
2 has its principal place of business if the resulting or
3 surviving savings bank were to be a Florida savings bank,
4 which conditions, restrictions, and requirements would not
5 apply to a reorganization, merger, or consolidation of savings
6 banks all of which are located in that state.

7 (4) A foreign savings bank which is the resulting or
8 surviving savings bank in a reorganization, merger, or
9 consolidation with a Florida savings bank shall not be
10 considered a Florida savings bank.

11 (5) Each application for reorganization, merger, or
12 consolidation with a foreign savings bank shall be accompanied
13 by a nonrefundable filing fee as provided in s. 658.73(2)(g).

14 667.006 Conversion of state or federal mutual savings
15 bank or state or federal mutual association to capital stock
16 savings bank.--

17 (1) CONVERSION INTO CAPITAL STOCK SAVINGS BANK.--Any
18 state or federal mutual savings bank or state or federal
19 mutual association may apply to the department for permission
20 to convert itself into a capital stock savings bank operated
21 under the provisions of this chapter in accordance with the
22 following procedures:

23 (a) The board of directors shall approve a plan of
24 conversion by resolution adopted by a majority vote of all the
25 directors. The plan shall include, but not be limited to:

26 1. Financial statements of the savings bank as of the
27 last day of the month preceding adoption of the plan.

28 2. Such financial data as may be required to determine
29 compliance with applicable regulatory requirements respecting
30 financial condition.

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1 3. A provision that each savings account holder of the
2 mutual savings bank will receive a withdrawable account in the
3 capital stock savings bank equal in amount to his withdrawable
4 account in the mutual savings bank.

5 4. A provision that each member of record will be
6 entitled to receive rights to purchase voting common stock.

7 5. Pro forma financial statements of the savings bank
8 as a capital stock savings bank, which shall include data
9 required to determine compliance with applicable regulatory
10 requirements respecting financial condition.

11 6. With particularity, the business purpose to be
12 accomplished by the conversion.

13 7. Such other information as the department may
14 require by rule.

15 (b) The plan of conversion shall be executed by a
16 majority of the board of directors and submitted to the
17 department for approval prior to any vote on conversion by the
18 members.

19 (c) The department may approve or disapprove the plan
20 in its discretion, but it shall not approve the plan unless it
21 finds that the savings bank will comply sufficiently with the
22 requirements of the financial institutions codes after
23 conversion to entitle it to become a savings bank operating
24 under the financial institutions codes and the rules of the
25 department. The department may deny any application from any
26 federal savings bank that is subject to any cease and desist
27 order or other supervisory restriction or order imposed by any
28 state or the federal supervisory authority, or insurer, or
29 guarantor or that has been convicted of, or pled guilty or
30 nolo contendere to, a violation of s. 655.50, relating to the
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1 Act; chapter 896, relating to offenses related to financial
2 transactions; or any similar state or federal law.

3 (d) If the department approves the plan of conversion,
4 the question of such conversion may be submitted to the
5 members at a meeting of voting members called to consider such
6 action. A vote of 51 percent or more of the total number of
7 votes eligible to be cast shall be required for approval,
8 unless federal law permits a lesser percentage of votes for a
9 federal mutual savings bank to convert, in which case that
10 percentage shall control. Notice of the meeting, giving the
11 time, place, and purpose thereof, together with a proxy
12 statement and proxy form covering all matters to be brought
13 before the meeting, shall be mailed at least 30 days prior to
14 the meeting to the department for review and to each voting
15 member at his or her last address as shown on the books of the
16 savings bank.

17 (2) MINUTES OF MEETING.--Copies of the minutes of the
18 meeting of members, verified by the affidavit of the secretary
19 or assistant secretary of the savings bank, shall be filed
20 with the department and with the appropriate federal
21 regulatory agency, within a reasonable time after the meeting.
22 When so filed, the verified copies of the minutes are
23 presumptive evidence of the holding of the meeting and of the
24 action taken.

25 (3) FILING OF ARTICLES OF INCORPORATION AND COMMITMENT
26 FOR INSURANCE OF ACCOUNTS.--The directors of the savings bank
27 shall have executed and filed with the department proposed
28 articles of incorporation as provided in s. 65B.23, together
29 with the application for conversion and a firm commitment for,
30 or evidence of, insurance of deposits and other accounts of a
31 withdrawable type. The articles shall contain a statement that

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1 the savings bank resulted from the conversion of a state or
2 federal mutual savings bank to a capital stock savings bank.
3 Approval by the department shall be affixed to the articles of
4 incorporation. A copy of the articles of incorporation shall
5 be filed with the Department of State and one copy of the
6 articles of incorporation and the certificate of incorporation
7 shall be returned to the savings bank. The savings bank shall
8 cease to be a mutual savings bank at the time and on the date
9 specified in the approved articles of incorporation.

10 (4) SUCCESSION.--Upon conversion of a mutual savings
11 bank, the legal existence of the savings bank shall not
12 terminate, but the capital stock savings bank shall be a
13 continuation of the entity of the mutual savings bank, and all
14 property of the mutual savings bank, including its rights,
15 titles, and interests in and to all property of whatever kind,
16 whether real, personal, or mixed, things in action, and every
17 right, privilege, interest, and asset of every conceivable
18 value or benefit then existing or pertaining to it, or which
19 would inure to it, immediately, by act of law and without any
20 conveyance or transfer and without any further act or deed,
21 shall vest and remain in the capital stock savings bank into
22 which the mutual savings bank has converted. The capital stock
23 savings bank shall have, hold, and enjoy the same in its own
24 right as fully and to the same extent as the same was
25 possessed, held, and enjoyed by the mutual savings bank. The
26 capital stock savings bank, upon the taking effect of the
27 conversion, shall continue to have and succeed to all the
28 rights, obligations, and relations of the mutual savings bank.
29 All pending actions and other judicial proceedings to which
30 the mutual savings bank is a party shall not be abated or
31 discontinued by reason of the conversion but may be prosecuted

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1 to final judgment, order, or decree in the same manner as if
2 the conversion had not been made, and the capital stock
3 savings bank resulting from the conversion may continue the
4 actions in its corporate name as a mutual savings bank. Any
5 judgment, order, or decree may be rendered for or against it
6 which might have been rendered for or against the mutual
7 savings bank theretofore involved in the proceedings.

8 (5) FEE.--The application for conversion from a state
9 or federal mutual to a state capital stock savings bank shall
10 be accompanied by a nonrefundable filing fee of \$7,500.
11 Additionally, the department is authorized to assess any
12 savings bank applying to convert pursuant to this section a
13 nonrefundable examination fee to cover the actual costs of any
14 examination required as part of the application process.

15 667.007 Supervisory case; emergency conversion,
16 reorganization, merger; consolidation; acquisition of
17 assets.--

18 (1) The department may determine that a state or
19 federal savings bank is a supervisory case if it finds that:

20 (a) The savings bank is insolvent; or

21 (b) The savings bank is imminently insolvent.

22
23 Any such finding by the department shall be based upon reports
24 furnished to it by a state or federal regulatory agency or
25 upon other evidence from which it is reasonable to conclude
26 that the savings bank is a supervisory case.

27 (2) Notwithstanding any other provision of this
28 chapter or chapter 120, if the department finds that immediate
29 action is necessary to protect the interests of depositors and
30 reduce the potential for claims against the insurance fund, or
31 in order to prevent the probable failure of a state or federal

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1 savings bank which is a supervisory case, the department shall
2 have the power, with the concurrence of the appropriate
3 federal regulatory agency in the case of any savings bank the
4 deposits of which are federally insured, to issue an emergency
5 order authorizing:

6 (a) The conversion of such savings bank from a state
7 to a federal charter, or vice versa, without change of
8 business form;

9 (b) The reorganization, merger, or consolidation of
10 such state or federal savings bank with another state or
11 federal savings bank;

12 (c) The conversion of such state or federal savings
13 bank into a state or federal capital stock savings bank; or

14 (d) Any state or federal savings bank to acquire the
15 assets of, and assume the liabilities of, such failing savings
16 bank.

17 657.098 Acquisition of assets of or control over a
18 savings bank.--

19 (1)(a) In any case in which a person or group of
20 persons proposes to purchase or acquire voting common stock of
21 any capital stock savings bank, which purchase or acquisition
22 would cause such person or group of persons to have control,
23 as defined herein, of that savings bank, such person or group
24 of persons must first make application to the department for a
25 certificate of approval of such purchase or acquisition.

26 (b) An application for control shall be in such form
27 and request such information as the department may require by
28 rule.

29 (c) The application for control shall be accompanied
30 by a nonrefundable filing fee of \$7,500; however, if more than
31 one savings bank is being acquired in any such application.

1 the fee shall be increased by \$3,000 for each additional
2 savings bank.

3 (2) The department shall issue the certificate of
4 approval only after it has made an investigation and
5 determined that:

6 (a) The proposed new owner or owners of voting capital
7 stock are qualified by character, experience, and financial
8 responsibility to control the savings bank in a legal and
9 proper manner and none of the proposed new owners have been
10 convicted of, or pled guilty or nolo contendere to, a
11 violation of s. 655.50, relating to the Florida Control of
12 Money Laundering in Financial Institutions Act; chapter 896,
13 relating to offenses related to financial transactions; or any
14 similar state or federal law.

15 (b) The interests of the public generally will not be
16 jeopardized by the proposed purchase or acquisition of voting
17 capital stock.

18 (3) This section does not apply to the acquisition of:

19 (a) Directors' voting proxies acquired in the normal
20 course of business as a result of proxy solicitation in
21 conjunction with a stockholders' meeting;

22 (b) Stock in a fiduciary capacity unless the acquiring
23 person has sole discretionary authority to exercise voting
24 rights with respect thereto;

25 (c) Stock acquired in securing or collecting a debt
26 contracted in good faith until 2 years after the date of
27 acquisition;

28 (d) Stock acquired by an underwriter in good faith and
29 without any intent to evade the purpose of this section if the
30 shares are held only for such reasonable period of time as
31 will permit the sale thereof; or

1 (e) Control of a savings bank by a unitary savings
2 bank holding company if the person or persons who control the
3 holding company are the same person or persons who control the
4 savings bank.

5 (4) For purposes of this section, a person or group of
6 persons shall be deemed to have control of a savings bank if
7 such person or group of persons:

8 (a) Directly or indirectly, or acting in concert with
9 one or more persons or through one or more subsidiaries, owns,
10 controls, holds the power to vote, or holds proxies
11 representing more than 25 percent of the voting common stock
12 of such savings bank.

13 (b) Controls in any manner the election of a majority
14 of the directors of such savings bank.

15 (c) Exercises a controlling influence over the
16 management or policies of such savings bank.

17 (d) Owns, controls, or has power to vote 10 percent or
18 more of any class of voting securities of the savings bank, if
19 no other person or group of persons owns, controls, or has
20 power to vote a greater proportion of that class of voting
21 securities. In any case in which a proposed purchase or
22 acquisition of voting securities of a savings bank would give
23 rise to the presumption created under this paragraph, the
24 person or group of persons who proposes to purchase or acquire
25 the voting securities shall first give written notice of the
26 proposal to the department. Such notice may present
27 information that the proposed purchase or acquisition will not
28 result in control. The department shall afford the person
29 seeking to rebut the presumption an opportunity to present
30 views in writing or orally before its designated
31 representatives at an informal conference.

1 (5)(a) A foreign savings bank, as defined in s.
2 667.013, whether controlled directly or indirectly by another
3 business organization, may acquire a Florida savings bank,
4 subject to approval by the department. The department shall
5 not approve the proposed acquisition unless:

6 1. The laws of the state in which the foreign savings
7 bank has its principal place of business permit savings banks
8 in that state to be acquired by Florida savings banks.

9 2. The Florida savings bank which is to be acquired
10 has been in existence and continuously operating for more than
11 2 years.

12 (b) The proposed acquisition shall be subject to any
13 conditions, restrictions, and requirements that would apply in
14 the state where the foreign savings bank has its principal
15 place of business if the foreign savings bank were to be
16 acquired by a Florida savings bank, which conditions,
17 restrictions, and requirements would not apply to the
18 acquisition by such foreign savings bank of another savings
19 bank in that state.

20 (c) This subsection does not apply to any merger by a
21 savings bank subject to s. 123 of Pub. L. No. 97-320.

22 667.009 Powers of savings bank generally.--Every
23 savings bank incorporated pursuant to or operating under the
24 provisions of the financial institutions codes shall have all
25 the powers enumerated, authorized, and permitted by this
26 chapter and such other rights, privileges, and powers as may
27 be incidental to or reasonably necessary or appropriate for
28 the accomplishment of the objectives and purposes of the
29 savings bank. Except as otherwise limited by the provisions of
30 the financial institutions codes, every savings bank shall
31 have the following powers:

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1 (1) PROPERTY TRANSFERS.--To acquire, hold, sell,
2 dispose of, and convey real and personal estate consistent
3 with its objects and powers: to mortgage, pledge, or lease any
4 real or personal estate; and to take property by gifts,
5 devise, or bequest.

6 (2) SUBORDINATED DEBT.--To issue and sell, directly or
7 through underwriters, subordinated debt which shall represent
8 nonwithdrawable capital contributions and shall constitute
9 part of the equity capital of the savings bank. Such debt
10 shall have no voting rights; shall be subordinate to all
11 savings accounts, debt obligations, and claims of creditors of
12 the savings bank; and shall constitute a claim in liquidation
13 against any other equity capital account remaining after the
14 payment in full of all savings accounts, debt obligations, and
15 claims of creditors. Such subordinated debt shall be entitled
16 to the payment of earnings prior to the allocation of any
17 income to surplus or other equity capital accounts of the
18 savings bank and may be issued with a fixed rate of earnings
19 or with a prior claim to distribution of a specified
20 percentage of any net income remaining after required
21 allocations to reserves, or a combination thereof. Losses
22 shall be charged against subordinated debt only after other
23 equity capital accounts have been exhausted.

24 (3) SALE OF LOANS.--To sell with or without recourse
25 any loan, including any participating interests therein.

26 (4) SERVICING.--To service loans and investments for
27 others.

28 (5) AGENT.--To act as agent or escrowee for others in
29 any transaction incidental to the operation of its business.

30 (6) LIMITED TRUSTEESHIP.--To act, and receive
31 compensation therefor, as trustee of any trust created or

1 organized in the United States and forming a part of a stock
2 bonus, pension, or profit-sharing plan which qualifies or is
3 qualified for specific tax treatment under s. 401 of the
4 Internal Revenue Code of 1954, as amended, and to act as
5 trustee or custodian of an individual retirement account
6 within the meaning of s. 408 of such code if the funds of such
7 trust or account are invested only in savings accounts of such
8 savings bank or in obligations or securities issued by such
9 savings bank. All funds held in a fiduciary capacity by any
10 such savings bank under the authority of this subsection may
11 be commingled and consolidated for appropriate purposes of
12 investment, provided that records reflecting each separate
13 beneficial interest are maintained by the fiduciary unless
14 such responsibility is lawfully assumed by another appropriate
party.

16 (7) SCHOOL SAVINGS.--To contract with the proper
17 authorities of any public or nonpublic elementary or secondary
18 school or institution of higher learning, or any public or
19 charitable institution caring for minors, for the
20 participation and implementation by the savings bank in any
21 school or institutional thrift or savings plan, and to accept
22 savings accounts at such a school or institution, either by
23 its own collector or by any representative of the school or
24 institution which becomes the agent of the savings bank for
25 such purpose.

26 (8) PAYROLL SAVINGS.--To contract with any employer
27 with respect to the solicitation, collection, and receipt of
28 savings by payroll deduction to be credited to a designated
29 account or accounts of his or her or its employee or employees
30 who voluntarily may participate or with respect to the direct
31 deposit of wages or salary paid by such employer to the

1 account of the employee in a financial depository institution
2 by electronic or other medium upon authorization in writing by
3 the employee and his or her designation of the savings bank or
4 other financial depository institution as the recipient of
5 such deposits.

6 (9) DRAFTS.--To issue drafts and similar instruments
7 drawn on the savings bank to aid in effecting withdrawals and
8 for other purposes of the savings bank.

9 667.010 Loans.--On an annual average, based on monthly
10 computations, a savings bank shall have invested at least 50
11 percent of assets, other than liquid assets of a savings bank
12 invested in either real estate loans or interests therein on
13 home property or primarily residential property and not more
14 than 30 percent invested in loans for agricultural, business,
15 corporate, or commercial purposes.

16 667.011 Loan expenses.--Every savings bank may require
17 borrowers to pay all reasonable expenses incurred in
18 connection with the making, closing, disbursing, extending,
19 readjusting, or renewing of real estate loans. Without
20 limiting the generality of the foregoing, such expenses may
21 include appraisal, attorney, abstract, recording, and
22 registration fees; title examination; title insurance;
23 mortgage loan insurance; credit report; survey; drawing of
24 papers; escrow services; loan closing costs; and taxes or
25 charges imposed upon or in connection with the making and
26 recording of any loan. Every savings bank also may require
27 borrowers to pay the cost of all other necessary and
28 incidental services rendered by the savings bank or by others
29 in connection with real estate and other loans in such
30 reasonable amounts as may be fixed by the board of directors.
31 Without limiting the generality of the foregoing, such costs

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2 may include the costs of services of inspectors, engineers,
3 and architects. Such initial charges may be collected by the
4 savings bank from the borrower and paid to any person,
5 including any director, officer, or employee of the savings
6 bank rendering such services, or paid directly by the
7 borrower. In lieu of such initial charges to cover such
8 expenses and costs, a savings bank may make a reasonable
9 charge, part or all of which may be retained by the savings
10 bank which renders such service or part or all of which may be
11 paid to others who render such services. The fees and charges
12 authorized by this chapter shall be in addition to interest
13 authorized by law and shall not be deemed to be a part of the
14 interest collected or agreed to be paid on such loans within
15 the meaning of any law of this state which limits the rate of
16 interest which may be exacted in any transaction. No director,
17 officer, or employee of a savings bank shall receive any fee
18 or other compensation of any kind in connection with procuring
19 any loan for a savings bank, except for services actually
20 rendered as provided in this section.

21 667.012 Dealing with successors in interest.--In the
22 case of any investment made by a savings bank in a real estate
23 loan, in the event the ownership of the real estate security
24 or any part thereof becomes vested in a person other than the
25 party or parties originally executing the security
26 instruments, and provided there is not an agreement in writing
27 to the contrary, a savings bank may, without notice to such
28 party or parties, deal with such successor or successors in
29 interest with reference to said mortgage and the debt thereby
30 secured in the same manner as with such party or parties, and
31 may forbear to sue or may extend time for payment of or
otherwise modify the terms of the debt secured thereby.

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1 without discharging or in any way affecting the original
2 liability of such party or parties thereunder or upon the debt
3 thereby secured.

4 667.012 Foreign savings banks.--

5 (1) DEFINED.--For the purposes of this section, the
6 term "foreign savings bank" includes any domestic joint
7 venture, business trust, syndicate, firm, company, savings
8 bank, fiduciary, partnership, or corporation, and all other
9 groups or combinations, by whatever name called, actually
10 engaged in the business of a savings bank, the principal
11 business office of which is located outside the territorial
12 limits of this state.

13 (2) ACTION BY DEPARTMENT.--The department is
14 authorized, empowered, and directed to obtain an injunction or
15 to take any other action necessary to prevent any foreign
16 savings bank from unlawfully doing any business of a savings
17 bank in this state.

18 (3) ACTIVITIES NOT CONSIDERED "DOING BUSINESS."--For
19 the purposes of this section and any other law of this state
20 prohibiting, limiting, or regulating the doing of business in
21 this state by foreign savings banks or foreign corporations of
22 any type, any federal savings bank, the principal office of
23 which is located outside this state, and any foreign savings
24 bank which is subject to state or federal supervision, or
25 both, which by law are subject to periodic examination by such
26 supervisory authority and to a requirement of periodic audit,
27 shall not be considered to be doing business in this state by
28 reason of engaging in any of the following activities:

29 (a) The purchase, acquisition, holding, sale,
30 assignment, transfer, collecting, and enforcement of
31 obligations or any interest therein secured by real estate

1 mortgages or other instruments in the nature of a mortgage,
2 covering real property located in this state, or the
3 foreclosure of such instruments, or the acquisition of title
4 to such property by foreclosure, or otherwise, as a result of
5 default under such instruments, or the holding, protection,
6 rental, maintenance, and operation of the property as
7 acquired, or the disposition thereof, provided such savings
8 banks shall not hold, own, or operate such property for a
9 period exceeding 5 years without securing the approval of the
10 department.

11 (b) The advertising or solicitation of savings
12 accounts or the making of any representation with respect
13 thereto in this state through the medium of mail, radio,
14 television, magazines, or newspapers or any other medium which
15 is published or circulated within this state, provided that
16 such advertising, solicitation, or the making of such
17 representations is accurately descriptive of the facts.

18 Section 16. Effective July 1, 1997, subsection (3) is
19 added to section 737.101, Florida Statutes, to read:

20 737.101 Principal place of administration of trust;
21 duty to register trust.--

22 (3) Unless otherwise designated in the trust agreement
23 and notwithstanding any other provision of this section, the
24 principal place of administration of a trust, for which a
25 bank, association, or trust company organized under the laws
26 of this state or bank or savings association organized under
27 the laws of the United States with its main office in this
28 state has been appointed trustee, shall not be moved or
29 otherwise affected solely because the trustee engaged in an
30 interstate merger transaction with an out-of-state bank
31

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1 pursuant to s. 658.2953 in which the out-of-state bank is the
2 resulting bank.

3 Section 17. Effective July 1, 1997, banks or
4 associations and trust companies resulting from an interstate
5 merger transaction with a Florida bank pursuant to s.
6 658.2953, Florida Statutes, and having trust powers are not
7 prohibited from exercising any of the powers or duties and
8 from acting in any of the capacities, within this state, as
9 provided in s. 660.41, Florida Statutes. This section is
10 repealed September 1, 1999.

11 Section 18. Paragraph (e) of subsection (6) of section
12 658.295, Florida Statutes, as created by section 7 of chapter
13 26-168, Laws of Florida, is hereby repealed.

14 Section 19. Except as otherwise provided herein, this
15 act shall take effect October 1, 1997.

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Journal of the Senate

Number 12—Regular Session

Wednesday, April 9, 1997

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[See end of Journal for Bill Action Summary]

CALL TO ORDER

The Senate was called to order by the President at 9 30 a m A quorum present—40

Madam President	Crist	Holzendorf	Meadows
Bankhead	Dantzler	Horne	Myers
Bronson	Diaz-Balart	Jenne	Ostalkiewicz
Brown-Waite	Dudley	Jones	Rossin
Burt	Dyer	Kirkpatrick	Scott
Campbell	Forman	Klein	Silver
Casas	Grant	Kurth	Sullivan
Childers	Gutman	Latvala	Thomas
Clary	Hargrett	Lee	Turner
Cowin	Harris	McKay	Williams

PRAYER

The following prayer was offered by the Rev Charles R Pinkerton, Jr , Pastor, First Baptist Church of St George Island

Almighty God, we come before you today ever mindful of your presence—mindful that you are the creator and sustainer of life You are indeed a mighty God, worthy of worship and our praise "When I consider your heavens, the work of your fingers, the moon and the stars, which you have set in place, what is man that you are mindful of him?" (Psalm 8 3-4) We know that you are mindful of man, that you do provide and care for us, and for this we thank you

Lord, God, we pray for direction and guidance for this legislative body We ask that their motives be pure and their desire be to serve their fellow man Grant them wisdom, insight, and understanding as they deal with issues that affect so many people May these men and women strive to attain the highest standards as a statesman and serve the interests of the people Grant them moral courage to make the right decisions, and political toughness to see them through

Train our ears, God, to distinguish your voice, concise and clear, among the conflicting desires, interests and mounting urges that compete for our attention In a culture which enshrines "self" as the one and only leader, help us to submit ourselves to your shepherding love and mercy

Hear our prayer, O God, bless these men and women who give of their lives to serve their fellow man Bless and protect their families while they serve

We ask this in your precious, powerful and Holy name Amen

PLEDGE

Senate Pages, Elizabeth Benson of Kingsport, Tennessee and Katie Morris of Sarasota, led the Senate in the pledge of allegiance to the flag of the United States of America

ADOPTION OF RESOLUTIONS

At the request of Senator Williams—

By Senator Williams—

SR 2322—A resolution honoring the Monticello Opera House, Inc , for 25 years of tireless effort in restoring the Monticello Opera House Building and sponsoring quality arts programming for north Florida

WHEREAS, the Monticello Opera House, Inc , which manages the Monticello Opera House, formerly known as the Perkins Building and Perkins Opera House, celebrates its silver anniversary year in 1997, and

WHEREAS, the Monticello Opera House was placed on the National Register of Historic Places in 1972 and was designated a Landmark of American Music by the National Music Council on April 15, 1976, and

WHEREAS, the State of Florida is committed to preserving its historic past for future generations and recognizes the Monticello Opera House as one of its treasured turn-of-the-century historic landmarks, and

WHEREAS, the State of Florida recognizes the Monticello Opera House as a rural center for the performing arts in north Florida and as a sponsor of quality arts programs that serve neighboring north Florida counties, and

WHEREAS, the State of Florida appreciates the commitment that the Monticello Opera House, Inc , has made to education and to developing young audiences through its Artists-in-the-Schools Program, and

WHEREAS, the Monticello Opera House, Inc , will continue to serve as an anchor to the best of Florida's past and as an achievement of both past and present, NOW, THEREFORE,

Be It Resolved by the Senate of the State of Florida

That the Florida Senate commends the Monticello Opera House, Inc , for its valuable programs that contribute to the cultural education and awareness of the residents of north Florida

BE IT FURTHER RESOLVED that copies of this resolution, with the Seal of the Senate affixed, be presented to Katie Marshall Andersen, Executive Director of the Monticello Opera House, Inc , Nancy Wideman, School Program Coordinator, Helen Rouse, Office Administrator, and John Trimble, Chairman

—SR 2322 was introduced, read and adopted by publication

At the request of Senator Campbell—

By Senator Campbell—

SR 2422—A resolution honoring the Marjory Stoneman Douglas High School Mathematics Team of Parkland, Florida, for winning the national championship at the 1996 National Mu Alpha Theta Annual Convention

Section 1 *Notwithstanding section 100 091, Florida Statutes, or any other law to the contrary, the date of the second primary election in 1998 is changed from Tuesday, September 29, 1998, to Thursday, October 1, 1998. However, for purposes of the 1998 general election cycle, all dates in the Florida Election Code tied to the date of the second primary election remain set as if the second primary election were to be held on September 29, 1998, except that elections to be held in conjunction with the second primary election shall be held on October 1, 1998, and restrictions on changes in party affiliation between the first and second primary elections shall remain in effect for the extended period resulting from the change in the date of the second primary election effected by this act*

And the title is amended as follows

On page 1, line 5, after "unchanged" insert , with specified exceptions

Senator Campbell moved the following amendment

Amendment 2 (with title amendment)—On page 2, lines 3 and 4, delete those lines and insert

Section 2 Effective January 1, 1998, subsection (4) of section 106 141, Florida Statutes, as amended by CS/HB 461, is amended to read

106 141 Disposition of surplus funds by candidates —

(4)(a) Except as provided in paragraph (b), any candidate required to dispose of funds pursuant to this section shall, at the option of the candidate, dispose of such funds by any of the following means, or any combination thereof

1 Return pro rata to each contributor the funds that have not been spent or obligated

2 Donate the funds that have not been spent or obligated to a charitable organization or organizations that meet the qualifications of s 501(c)(3) of the Internal Revenue Code

3 Give not more than \$10,000 of the funds that have not been spent or obligated to the political party of which such candidate is a member

4 Give the funds that have not been spent or obligated

a In the case of a candidate for state office, to the state, to be deposited in either the Election Campaign Financing Trust Fund or the General Revenue Fund, as designated by the candidate, or

b In the case of a candidate for an office of a political subdivision, to such political subdivision, to be deposited in the general fund thereof

(b) Any candidate required to dispose of funds pursuant to this section who has received contributions from the Election Campaign Financing Trust Fund shall return all surplus campaign funds to the Election Campaign Financing Trust Fund

Section 3 Except as otherwise expressly provided in this act, this act shall take effect upon becoming a law

And the title is amended as follows

On page 2, lines 5 and 6, delete those lines and insert second primary remain unchanged, with specified exceptions, amending s 106 141, F S, restricting the amount of surplus funds that may be given to a political party, providing effective dates

POINT OF ORDER

Senator Burt raised a point of order that pursuant to Rule 7 1 Amendment 2 was not germane to the bill

The President referred the point, amendment and the bill to the Committee on Rules and Calendar for further consideration

Consideration of CS for SB 800 was deferred

On motion by Senator Gutman—

CS for SB 270—A bill to be entitled An act relating to clinical laboratory personnel, amending s 408 033, F S, providing an exemption from certain health care facilities assessments for clinical laboratories operated by practitioners for exclusive use, amending s 483 035, F S, requiring the Agency for Health Care Administration to adopt rules relating to personnel of such laboratories, amending s 483 061, F S, authorizing the agency to perform on-site or off-site inspections, amending s 483 172, F S, providing for expiration of the agency's authority to collect a fee from certain laboratories, amending ss 483 801, 483 813, F S., providing for an exemption from regulation for certain practitioners and persons employed by certain laboratories, amending s 483 803, F S, revising the definition of "clinical laboratory personnel", amending s 483 811, F S, providing application of regulatory provisions to certain clinical laboratories, creating s 483 824, F S, providing qualifications of a clinical laboratory director, providing an effective date

—was read the second time by title

Senator Gutman moved the following amendment which was adopted

Amendment 1—On page 4, line 18, delete "1997" and insert 1998

Pursuant to Rule 4 19, CS for SB 270 as amended was ordered engrossed and then placed on the calendar of Bills on Third Reading

On motion by Senator Forman—

SB 486—A bill to be entitled An act relating to assistive technology devices, creating part III of chapter 427, F S, creating the "Assistive Technology Device Warranty Act", providing definitions, requiring an express warranty for manufacturers who sell assistive technology devices, requiring refund, replacement, or repair of nonconforming assistive technology devices, requiring disclosure of reasons for return before resale or re-lease, allowing consumers the option of submitting disputes to arbitration, permitting action for damages for violation of the act, providing an effective date

—was read the second time by title

Pursuant to Rule 4 19, SB 486 was placed on the calendar of Bills on Third Reading

On motion by Senator Scott, by two-thirds vote CS for HB 541 was withdrawn from the Committees on Banking and Insurance, and Ways and Means

On motion by Senator Scott—

CS for HB 541—A bill to be entitled An act relating to the management and regulation of financial institutions, amending s 280 02, F S, revising a definition, amending s 655 005, F S, revising definitions, amending s 655 0322, F S, applying prohibited acts and practices provisions to state or federal savings banks, providing penalties, amending s 655 045, F S, deleting a report requirement, amending s 655 41, F S, revising a definition, amending s 655 414, F S, requiring approval by the Department of Banking and Finance for a financial entity to acquire certain financial entities, providing for a nonrefundable filing fee, deleting a requirement to file a separate application for each branch office, amending s 658 21, F S, revising criteria for approval of applications, amending s 658 23, F S, clarifying information required in articles of incorporation, amending s 658 26, F S, providing for approval of a branch application under certain circumstances, revising provisions providing for relocation of certain offices in this state, providing a definition, amending s 658 295, F S, revising certain acquisition criteria, deleting an obsolete provision, amending s 658 2953, F S, correcting a threshold date reference, deleting certain requirements for notice of establishment and maintenance of a branch in this state by an out-of-state bank, revising certain filing requirements and trust powers, amending s 658 73 F S, revising application fee provisions, providing for partial refund under certain circumstances, amending s 663 06, F S, providing for indefinite operation of an international banking corporation, deleting temporary operation provisions, amending s 663 12, F S, clarifying certain filing fee provisions, creating s 667 001-667 013, F S, providing a short title, providing definitions, providing applicability, providing for a

name, providing for reorganization, merger, or consolidation, providing for conversion of certain banks or associations to capital stock savings banks, providing requirements, imposing a fee, providing powers and duties of the department under certain circumstances, providing for acquisition of assets or control of savings banks, providing criteria and requirements, specifying powers of savings banks, providing for loans and loan expenses, providing for dealing with successors in interest, providing for foreign savings banks, amending s 737 101, F S , clarifying application of principal place of administration provisions to certain trusts, exempting certain financial institutions resulting from an interstate merger transaction from certain prohibitions, providing for future repeal, repealing s 658 295(6)(e), F S , relating to certain notice of acquisitions, providing effective dates

—a companion measure, was substituted for CS for SB 410 and read the second time by title

Senator Scott moved the following amendment which was adopted

Amendment 1 (with title amendment)—On page 48 between lines 2 and 3, insert.

Section 17 Subsection (1) of section 280 03, Florida Statutes, 1996 Supplement, is amended to read

280 03 Public deposits to be secured, exceptions —

(1)(a) All public deposits shall be secured as provided in this chapter *Notwithstanding the provisions of any other law, a public deposit as defined in s 280 02(13) may be deposited in a qualified public depository as defined in s 280 02(16)*

(b) Public funds shall not be deposited directly or indirectly in negotiable certificates of deposit Except as otherwise provided by law, no public deposit may be made except in a qualified public depository

(Renumber subsequent sections)

And the title is amended as follows

On page 1, line 4, after the semicolon (;) insert amending s 280 03, F S , allowing for the deposit of state and local government funds in qualified public depositories,

Pursuant to Rule 4 19, CS for HB 541 as amended was placed on the calendar of Bills on Third Reading

On motion by Senator Dudley—

SB 406—A bill to be entitled An act relating to saltwater fisheries, amending s 370 0605, F S , providing a fee for a saltwater fishing license for fishing from any pier attached to the land at the discretion of the owner, operator, or custodian of the pier, providing an effective date.

—was read the second time by title

Pursuant to Rule 4 19, SB 406 was placed on the calendar of Bills on Third Reading

MOTION

On motion by Senator Bankhead, by two-thirds vote all bills remaining on the Special Order Calendar this day were established as the Special Order Calendar for Thursday, April 10.

REPORTS OF COMMITTEES

The Committee on Rules and Calendar submits the following bills to be placed on the Special Order Calendar for Wednesday, April 9, 1997 SB 2400, SB 2402, CS for SB 1546, CS for SB 1376, CS for SB 1992, CS for SB 178, CS for SB 398, CS for SB 586, SB 128, SB 72, SB 386, CS for SB 2004, CS for SB 1066, CS for SB 1160, SB 268, SB 206, CS for SB 26, SB 52, CS for SB 360, SB 1008, SB 1104, CS for SB 530, SB 602, CS for SB 558, CS for SB 800, CS for SB 270, SB 486, CS for SB 410, SB 406

Respectfully submitted,
W G (Bill) Bankhead, Chairman

The Committee on Commerce and Economic Opportunities recommends the following pass SB 674 with 1 amendment, SB 2180 with 1 amendment, SB 2230 with 2 amendments

The Committee on Criminal Justice recommends the following pass SB 494 with 1 amendment, SB 2076 with 3 amendments

The bills contained in the foregoing reports were referred to the Committee on Children, Families and Seniors under the original reference.

The Committee on Banking and Insurance recommends the following pass SB 2064 with 1 amendment

The Committee on Community Affairs recommends the following pass SB 1844 with 2 amendments

The Committee on Education recommends the following pass SB 1458

The bills contained in the foregoing reports were referred to the Committee on Commerce and Economic Opportunities under the original reference.

The Committee on Commerce and Economic Opportunities recommends the following pass SB 2342

The bill was referred to the Committee on Community Affairs under the original reference.

The Committee on Children, Families and Seniors recommends the following pass CS for SB's 552, 1960 and 822 with 3 amendments

The Committee on Community Affairs recommends the following pass SB 1470 with 1 amendment

The Committee on Transportation recommends the following pass SB 2272 with 1 amendment

The bills contained in the foregoing reports were referred to the Committee on Criminal Justice under the original reference.

The Committee on Commerce and Economic Opportunities recommends the following pass SB 1362

The Committee on Health Care recommends the following pass CS for HB 69 with 4 amendments

The bills contained in the foregoing reports were referred to the Committee on Governmental Reform and Oversight under the original reference.

The Committee on Children, Families and Seniors recommends the following pass SB 1954 with 1 amendment

The Committee on Commerce and Economic Opportunities recommends the following pass SB 1050, CS for SB 1778 with 2 amendments, SB 2040

The Committee on Criminal Justice recommends the following pass SB 314

The bills contained in the foregoing reports were referred to the Committee on Judiciary under the original reference.

The Committee on Community Affairs recommends the following pass SB 838 with 3 amendments

The bill was referred to the Committee on Natural Resources under the original reference.

STORAGE NAME: h0541s1z.fs
DATE: May 6, 1997

****AS PASSED BY THE LEGISLATURE****
CHAPTER #: 97- 30, Laws of Florida

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCIAL SERVICES
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 541 (1st Engrossed)

RELATING TO: The Management and Regulation of Financial Institutions

SPONSOR(S): Committee on Financial Services and Representative Maygarden

STATUTE(S) AFFECTED: s. 280.02, F.S., 1996 Supplement; s. 655 005, F S.; s. 655.0322, F.S ;
s. 655 045, F S ; s 655 41 F S.; s. 655.414, F S ; s. 658 21, F S., s.
658.23, F.S ; s. 658.26, F.S., 1996 Supplement; s. 658.295, F.S. 1996
Supplement; s. 658.2953, F. S. 1996 Supplement, s 658.73, F S.,
1996 Supplement; s. 663.06, F.S., s. 663.12, F S., s. chapter 667, F.S.;
s. 658.295, F.S., s. 658.2953, F.S

COMPANION BILL(S): CS/SB 410 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) FINANCIAL SERVICES YEAS 12 NAYS 0
- (2)
- (3)
- (4)
- (5)

I. SUMMARY:

The bill is designed to simplify and streamline the process for establishing a de novo financial institution. The bill also attempts to simplify and streamline the branch application and review process. It reduces branch application fees, and approval time, from \$2,500 to \$750 and 90 days to 10 working days, respectively. It reduces the time and cost associated with applications for approval of branch offices by well-managed institutions. Until September 1, 1999, a bank which completes an interstate merger with an existing bank with trust powers, will have similar trust powers.

International representative and administrative offices are no longer required to renew their license annually, but rather pay an annual assessment. This change eliminates the annual review process for both the international institutions, and the department.

The bill authorizes the Department of Banking and Finance to issue a savings bank charter to qualified applicants, and authorizes the department to approve a mutual savings bank charter when a qualified applicant chooses to convert its current charter.

II. SUBSTANTIVE RESEARCH

A. PRESENT SITUATION:

Florida law does not draw a distinction between financial institutions which may be characterized as "strong, and well-managed" as such are defined in federal statutes, and other financial institutions. Federal law defines a "strong, well managed" financial institution as an institution which has been in operation for at least 24 months, is well capitalized, has received a satisfactory rating at the institution's most recent state or federal safety and soundness examination, and is not the object of any enforcement action.

Florida financial institutions which may fit the profile of a "strong and well-managed" bank must provide basically the same information and fees to establish branch locations, or de novo institutions, as do other financial institutions which may not fit that profile. For instance, to get approval for the establishment of a branch office, a bank must submit an application, a \$2,500 filing fee, and must prove, among other things, that public convenience and advantage will be promoted, and that the other financial institutions already established in the target area will have a reasonable promise of successful operation. The department must review the applications of otherwise strong, well-managed institutions with the same scrutiny as that of other financial institutions.

International representative and administrative offices are required to renew their licenses annually, which involves an annual review process for the international institutions by the department.

Florida law recognizes the following financial institutions: state or federal association, bank, trust company, international bank agency, representative office or administrative office, and credit union. Florida does not currently have a statutory provision allowing financial institutions to convert to state savings banks, which may be described as a hybrid between a savings and loan and a commercial bank. State savings banks are insured by the FDIC and a certain percentage of its assets are committed to mortgage loans.

In the past few years, 29 states have established the savings bank as a financial institution charter option. This option was initially viewed as a means for a state or federally chartered savings and loan association to convert to a charter that afforded them lower regulatory costs than the United States Treasury Department's Office of Thrift Supervision, which has supervisory authority over both state and federal associations. Converting to a savings bank would allow associations to insure that any new deposits come into the association by the Federal Deposit Insurance Corporation's Bank Insurance Fund (BIF), as opposed to the Savings Association Insurance Fund (SAIF), whose insurance premiums are substantially higher than BIF's.

Associations in other states have used the savings bank charter to maintain their mutual form of ownership when they convert from a federal to a state charter. The mutual savings bank is owned by its depositors, similar to the way credit unions are owned by their membership. In both instances, a portion of each member's initial deposit is

allocated as a portion of capital. Additionally, in both instances annual profits can be distributed in the form of a dividend to members.

B. EFFECT OF PROPOSED CHANGES.

Strong, well managed financial institutions, as defined in federal law and in this bill, will experience a streamlined licensing process and a reduction in filing fees. The amount of information required by the Department of Banking and Finance will be reduced. Strong, well managed institutions will pay reduced fees for branch applications, and reduced application fees for relocation of offices. Banks which complete an interstate merger with an existing bank with trust powers, will be endowed with trust powers (this section will expire September 1, 1999). International representative and administrative offices will no longer be required to renew their license annually, but rather will pay an annual assessment. This change will eliminate the annual review process for both the international institutions, and the department

The creation of Chapter 667, Florida Statutes, instituting a state savings bank charter, will provide state and federally chartered institutions the option of converting to a charter carrying lower regulatory costs. Such a conversion would allow a credit union or federally chartered mutual savings and loan association to maintain its mutual form of ownership as a savings bank.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No

(3) any entitlement to a government service or benefit?

No

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No

b. Does the bill require or authorize an increase in any fees?

Yes. The bill establishes a fee for office relocation, which the Department of Banking and Finance had not required in the past.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

Yes. The bill reduces branch application fees in certain circumstances. The required fee for an application to acquire controlling interests in a certain number of banks or trust companies is capped. The bill also caps fees for an application to merge or consolidate a certain number of banks or trust companies.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No

4 Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Yes Financial institutions which are strong and well-managed, as defined in federal law and in this bill, are provided streamlined review processes and reduced fees for certain expansion activities.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

The bill reduces a level of government review for strong, well-managed financial institutions.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

N/A

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. SECTION-BY-SECTION RESEARCH:

Section 1. Amends section 280 02, Florida Statutes, and effective July 1, 1997, the definition of "qualified public depository" is expanded to include savings bank therein.

Section 2. Amends section 655.005, Florida Statutes, to: add the term 'savings bank' to the definition of "federal financial institution," add the term 'savings bank' to the definition of "financial institution;" and, add a reference to Chapter 667, relating to savings banks, to the list of statutes falling within the "financial institution codes."

Section 3. Amends section 655.0322, Florida Statutes, to include 'state or federal savings bank' to the definition of the term "financial institution."

Section 4. Amends section 655.045, Florida Statutes, to no longer require that a quarterly report to the Department of Banking and Finance include a declaration that the report is true and correct.

Section 5. Amends section 655 41, Florida Statutes, to include 'savings bank, Edge Act or agreement corporation' to the definition of "financial entity."

Section 6. Amends section 655.414, Florida Statutes, to provide for: (1) the requirement of Department of Banking and Finance approve and determine compliance with Department of Banking and Finance rule conditions, before a financial entity may acquire assets, or assume liabilities, of any other financial entity; (2) the requirement that the assuming or acquiring financial entity has to submit a completed application with a non-refundable filing fee to the Department of Banking and Finance; (3) the elimination of the requirement of the Department of Banking and Finance to certify that the plan is in compliance with the provisions of this section, but only that the plan is

approved; and (4) no longer require a financial institution to file a branch application if the acquisition of assets or assumption of liabilities includes any financial institution branch office.

Section 7. Amends section 658.21, Florida Statutes, to: (1) no longer require that public convenience and advantage be promoted by the establishment of the proposed bank or trust company, or that local conditions indicate reasonable promise of successful operation of financial institutions already established in the service area, (2) designate purpose, objectives, and business philosophy of the proposed 'state' bank or trust company as 'materially relevant factors' in Department of Banking and Finance approval review; (3) designate that the projected financial performance of the proposed bank or trust company as 'materially relevant factors' in Department of Banking and Finance approval review; and (4) designate whether the applicant meets the requirements of the section, the feasibility of the proposed entity, and asset and liability growth and management, as 'materially relevant factors' in Department of Banking and Finance approval review.

Section 8. Amends section 658 23, Florida Statutes, to provide that the articles of incorporation contain the names and street addresses of the members of the *initial* board of directors, rather than the *first* board of directors - a linguistic adjustment.

Section 9. Amends section 658.26, Florida Statutes, 1996 Supplement, to provide for: (1) approval of an application for a branch office if not denied within 10 working days after receipt; unless notified by the department in writing that the application was not complete; (2) elimination of certain requirements and limitations for the relocation of offices, and require applications for relocation shall be in writing to the department; (3) the requirement that a relocation application be published if the main office has not been in operation for at least 24 months; Department of Banking and Finance to determine substantial compliance by the institution with applicable law upon the filing of an application and non-refundable fee; requirement that additional investments resulting from relocation comply with section 658.67(7)(a); restrict movement of a main office to a location outside the state unless authorized by financial institutions codes or federal law; (4) approval a relocation application if not denied within 10 working days after receipt or unless the department notifies the institution in writing that the application was not complete; (5) the requirement that an institution whose main office has been in operation less than 24 months meet the criteria of section 658.2191; (6) the consolidation of branch offices within a 1 mile radius of the other with 30 days written notice to the department; (7) the requirement of 30 days written notice to the Department of Banking and Finance of the closing of a branch office; and (8) the definition of a "strong, well-managed state bank or trust company."

Section 10. Amends section 658.295, Florida Statutes, 1996 Supplement, to provide authority for the acquisition of a bank that has been in continuous operation for 3 years, by an out-of-state bank holding company or out-of-state bank, if not otherwise prohibited by law.

Section 11. Amends section 658.2953, Florida Statutes, 1996 Supplement, to provide for: (1) the establishment of a May 31, 1997 effective date to permit interstate branching under s. 102 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994; and, (2) the establishment of a May 31, 1997 effective date for a state bank to establish interstate branches.

Section 12. Amends section 658.73, Florida Statutes, 1996 Supplement, to provide for: (1) a cap upon the application fee for acquiring a controlling interest in a state bank or holding company if more than one bank or holding company is being acquired in any one application; (2) the application fee for establishing a branch by a strong, well-managed bank; also to set a separate fee for each application to establish a branch by any other state bank; (3) a cap upon the application fee for a merger or consolidation if three or more banks or trust companies are involved in the application; (4) the fee for each application by a strong, well-managed bank, to relocate a main office; and set a separate fee for each application by each other state bank or trust company to relocate its main office; (5) the application fee for each purchase of assets and the assumption of liabilities; and, (6) the department to refund up to ½ of the fee submitted if the application is withdrawn prior to publication.

Section 13. Amends section 663.06, Florida Statutes, to eliminate the requirement for an annual license renewal for an authorized international banking corporation.

Section 14. Amends section 663.12, Florida Statutes, to provide for: (1) an annual operating fee for each international representative and administrative office; and, (2) a minimum semiannual assessment for international bank agencies, international branches and state chartered investment companies.

Section 15. Creates sections 667.001, 667.002, 667.003, 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010, 667.011, 667.012, and 667.013, Florida Statutes, a new chapter entitled the "Florida Savings Bank Act," providing for: definitions; applicability of chapters 655 and 658, F.S., to the new Florida Savings Bank Act; the requirement that the name of every savings bank shall include the words "savings bank" and further provides prohibition of the use of the words "National," "Federal," "United States," "insured," or "guaranteed" as part of the corporate name of a savings bank; requirements for the reorganization, merger, or consolidation of a state savings bank with a foreign savings bank; requirements for the conversion of state or federal mutual savings banks, or state or federal mutual associations to a capital stock savings bank; requirements concerning supervisory cases, allowing for the emergency conversion, reorganization, merger, consolidation or acquisition of assets of state or federal savings banks; requirements for the acquisition of assets or control over a savings bank; the powers of savings banks, investment requirements for savings banks; reasonable expenses to be charged borrowers for the making, closing, disbursing, extending, readjusting, or renewing real estate loans; protection of savings banks' rights in real estate loan transactions; and definitions of a foreign savings bank and which activities are not considered "doing business" by a foreign savings bank.

Section 16. Amends section 737.101, Florida Statutes, relating to interstate merger transactions.

Section 17. Amends section 280.03, Florida Statutes, 1996 Supplement, authorizing a public deposit to a "qualified public depository" as defined in s. 280.02(16), F.S.

Section 18. Effective July 1, 1997, banks and trust companies resulting from interstate mergers with institutions possessing certain trust powers, are not prohibited from exercising such trust powers. This section is repealed effective September 1, 1999.

Section 19. Repeals paragraph (e) of subsection (6) of section 658.295, F.S.

Section 20. Provides that the effective date of the act shall be October 1, 1997, except as otherwise provided herein.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS.

1. Non-recurring Effects.

None

2. Recurring Effects:

The overall effects of this bill are indeterminate at this time due to the uncertainty as to which institutions will qualify for which fee reductions, and the projected income from office relocations. It is unknown what number of financial entities will convert to a Florida savings bank; however, it is estimated that fee reductions will result in a reduction of approximately \$175,000 annually in fees received by the Department of Banking and Finance. A positive, indeterminate effect may result from the reduced workload for the Department of Banking and Finance through the streamlined review process for banks designated as a "strong, well managed" institution, as defined in federal law and in this bill, and through the cessation of annual application reviews by the Department of Banking and Finance of international banking offices and agencies.

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

See III.A.2.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None

2. Recurring 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:

Eliminating proof of public advantage, need and convenience by applicants for new financial institutions will result in a cost savings to applicants. Fee reductions will benefit state chartered financial institutions. Streamlining branch application process will benefit the industry in time savings. A minimum assessment fee for international representative and administrative offices, rather than an annual license renewal fee, along with the departmental review of said application, will benefit the industry as well as the department.

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

Fee reductions, streamlined application processes, and eliminating proof of public advantage, need and convenience for establishment of new financial institutions will decrease state chartered institutions' costs. Because the Office of the Comptroller of the Currency, Administrator of National Banks is also lowering its application fees and streamlining its application process, these revisions will ensure that state chartered institutions do not have licensing and chartering costs in excess of what they would have if they were operating under a national charter.

D. FISCAL COMMENTS:

None

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V COMMENTS.

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The CS/HB 541 version of the bill is identical to the engrossed bill.

VII. SIGNATURES:

COMMITTEE ON FINANCIAL SERVICES:

Prepared by:

Legislative Research Director:

Michael A. Kliner

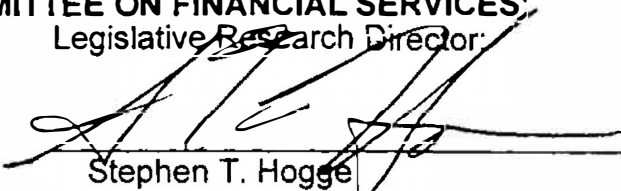
Stephen T. Hogge

FINAL RESEARCH PREPARED BY COMMITTEE ON FINANCIAL SERVICES:

Prepared by:

Legislative Research Director:


Michael A. Kliner


Stephen T. Hogge

1
2 An act relating to the management and
3 regulation of financial institutions; amending
4 s. 280.02, F.S.; revising a definition;
5 amending s. 280.03, F.S.; allowing for the
6 deposit of state and local government funds in
7 qualified public depositories; amending s.
8 655.005, F.S.; revising definitions; amending
9 s. 655.0322, F.S.; applying prohibited acts and
10 practices provisions to state or federal
11 savings banks; providing penalties; amending s.
12 655.045, F.S.; deleting a report requirement;
13 amending s. 655.41, F.S.; revising a
14 definition; amending s. 655.414, F.S.;
15 requiring approval by the Department of Banking
16 and Finance for a financial entity to acquire
17 certain financial entities; providing for a
18 nonrefundable filing fee; deleting a
19 requirement to file a separate application for
20 each branch office; amending s. 658.21, F.S.;
21 revising criteria for approval of applications;
22 amending s. 658.23, F.S.; clarifying
23 information required in articles of
24 incorporation; amending s. 658.26, F.S.;
25 providing for approval of a branch application
26 under certain circumstances; revising
27 provisions providing for relocation of certain
28 offices in this state; providing a definition;
29 amending s. 658.295, F.S.; revising certain
30 acquisition criteria; deleting an obsolete
31 provision; amending s. 658.2953, F.S.;

1 correcting a threshold date reference; deleting
2 certain requirements for notice of
3 establishment and maintenance of a branch in
4 this state by an out-of-state bank; revising
5 certain filing requirements and trust powers;
6 amending s. 658.73, F.S.; revising application
7 fee provisions; providing for partial refund
8 under certain circumstances; amending s.
9 663.06, F.S.; providing for indefinite
10 operation of an international banking
11 corporation; deleting temporary operation
12 provisions; amending s. 663.12, F.S.;
13 clarifying certain filing fee provisions;
14 creating ss. 667.001-667.013, F.S.; providing a
15 short title; providing definitions; providing
16 applicability; providing for a name; providing
17 for reorganization, merger, or consolidation;
18 providing for conversion of certain banks or
19 associations to capital stock savings banks;
20 providing requirements; imposing a fee;
21 providing powers and duties of the department
22 under certain circumstances; providing for
23 acquisition of assets or control of savings
24 banks; providing criteria and requirements;
25 specifying powers of savings banks; providing
26 for loans and loan expenses; providing for
27 dealing with successors in interest; providing
28 for foreign savings banks; amending s. 737.101,
29 F.S.; clarifying application of principal place
30 of administration provisions to certain trusts;
31 exempting certain financial institutions

1 resulting from an interstate merger transaction
 2 from certain prohibitions; providing for future
 3 repeal; repealing s. 658.295(6)(e), F.S.,
 4 relating to certain notice of acquisitions;
 5 providing effective dates.

6
 7 Be It Enacted by the Legislature of the State of Florida:

8
 9 Section 1. Effective July 1, 1997, subsection (16) of
 10 section 280.02, Florida Statutes, 1996 Supplement, is amended
 11 to read:

12 280.02 Definitions.--As used in this chapter, the
 13 term:

14 (16) "Qualified public depository" means any bank,
 15 savings bank, or savings association that:

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

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

23 (c) Has deposit insurance under the provision of the
 24 Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811
 25 et seq.

26 (d) Meets all the requirements of this chapter.

27 (e) Has been designated by the Treasurer as a
 28 qualified public depository organized and existing under the
 29 laws of this state and any bank or savings association
 30 organized under the laws of the United States that has its
 31 principal place of business in this state or has a branch

1 ~~office which is authorized under the laws of this state or of~~
 2 ~~the United States to receive deposits in this state, that~~
 3 ~~meets all of the requirements of this chapter, and that has~~
 4 ~~been designated by the Treasurer as a qualified public~~
 5 ~~depository.~~

6 Section 2. Paragraphs (g), (h), and (j) of subsection
 7 (1) of section 655.005, Florida Statutes, are amended to read:
 8 655.005 Definitions.--

9 (1) As used in the financial institutions codes,
 10 unless the context otherwise requires, the term:
 11 (g) "Federal financial institution" means a federally
 12 or nationally chartered or organized association, bank,
 13 savings bank, or credit union.

14 (h) "Financial institution" means a state or federal
 15 association, bank, savings bank, trust company, international
 16 bank agency, representative office or international
 17 administrative office, or credit union.

18 (j) "Financial institutions codes" means:

- 19 1. Chapter 655, relating to financial institutions
 20 generally;
 21 2. Chapter 657, relating to credit unions;
 22 3. Chapter 658, relating to banks and trust companies;
 23 4. Chapter 660, relating to trust business;
 24 5. Chapter 663, relating to international banking
 25 corporations; and
 26 6. Chapter 665, relating to associations; and:
 27 7. Chapter 667, relating to savings banks.

28 Section 3. Subsection (1) of section 655.0322, Florida
 29 Statutes, is amended to read:

30 655.0322 Prohibited acts and practices; criminal
 31 penalties.--

1 (1) As used in this section, the term "financial
2 institution" means a financial institution as defined in s.
3 655.50 which includes a state trust company, state or national
4 bank, state or federal association, state or federal savings
5 bank, state or federal credit union, Edge Act or agreement
6 corporation, international bank agency, representative office
7 or administrative office or other business entity as defined
8 by the department by rule, whether organized under the laws of
9 this state, the laws of another state, or the laws of the
10 United States, which institution is located in this state.

11 Section 4. Paragraph (a) of subsection (2) of section
12 655.045, Florida Statutes, is amended to read:

13 655.045 Examinations, reports, and internal audits;
14 penalty.--

15 (2)(a) The department shall require each state
16 financial institution, subsidiary, or service corporation to
17 submit a report, at least four times each calendar year, as of
18 such dates as the department may determine. Each ~~such report~~
19 ~~must contain a declaration by the chief executive officer or~~
20 ~~any other officer authorized by the board of directors to make~~
21 ~~such declaration that the report is true and correct to the~~
22 ~~best of his knowledge and belief.~~ Such report must include
23 such information as the department by rule requires for that
24 type of institution.

25 Section 5. Subsection (1) of section 655.41, Florida
26 Statutes, is amended to read:

27 655.41 Cross-industry conversions, mergers,
28 consolidations, and acquisitions; definitions used in ss.
29 655.41-655.419.--As used in ss. 655.41-655.419, the term:

30 (1) "Financial entity" means an association, bank,
31 credit union, savings bank, Edge Act or agreement corporation.

1 or trust company organized under the laws of this state or
2 organized under the laws of the United States and having its
3 principal place of business in this state.

4 Section 6. Section 655.414, Florida Statutes, is
5 amended to read:

6 655.414 Acquisition of assets; assumption of
7 liabilities.--With prior approval of the department and upon
8 such conditions as the department prescribes by rule, any
9 financial entity may acquire all or substantially all of the
10 assets of, or assume the liabilities of, any other financial
11 entity in accordance with the procedures and subject to the
12 following conditions and limitations:

13 (1) ADOPTION OF A PLAN.--The board of directors of the
14 acquiring or assuming financial entity and the board of
15 directors of the transferring financial entity must adopt, by
16 a majority vote, a plan for such acquisition, assumption, or
17 sale on such terms as are mutually agreed upon. The plan must
18 include:

19 (a) The names and types of financial entities
20 involved.

21 (b) A statement setting forth the material terms of
22 the proposed acquisition, assumption, or sale, including the
23 plan for disposition of all assets and liabilities not subject
24 to the plan.

25 (c) A provision for liquidation of the transferring
26 financial entity upon execution of the plan.

27 (d) A statement that the entire transaction is subject
28 to written approval of the department and approval of the
29 members or stockholders of the transferring financial entity.

30 (e) If a stock financial institution is the
31 transferring financial entity and the proposed sale is not to

1 be for cash, a clear and concise statement that dissenting
2 stockholders of such financial entity are entitled to the
3 rights set forth in s. 658.44(4) and (5).

4 (f) The proposed effective date of such acquisition,
5 assumption, or sale and such other information and provisions
6 as may be necessary to execute the transaction or as may be
7 required by the department.

8 (2) APPROVAL OF DEPARTMENT.--Following approval by the
9 board of directors of each participating financial entity, the
10 plan, together with certified copies of the authorizing
11 resolutions adopted by the boards and a completed application
12 with a nonrefundable filing fee, must be forwarded to the
13 department for its approval or disapproval. The department
14 shall approve the plan of acquisition, assumption, or sale if
15 it appears that:

16 (a) The resulting financial entity would have an
17 adequate capital structure in relation to its activities and
18 its deposit liabilities;

19 (b) The plan is fair to all parties; and

20 (c) The plan is not contrary to the public interest.

21
22 If the department disapproves the plan, it shall state its
23 objections and give an opportunity to the parties to amend the
24 plan to overcome such objections.

25 (3) VOTE OF MEMBERS OR STOCKHOLDERS.--If the
26 department approves the plan, it may be submitted to the
27 members or stockholders of the transferring financial entity
28 at an annual meeting or at any special meeting called to
29 consider such action. Upon a favorable vote of 51 percent or
30 more of the total number of votes eligible to be cast or, in
31

1 the case of a credit union, 51 percent or more of the members
2 present at the meeting, the plan is adopted.

3 (4) ADOPTED PLAN; CERTIFICATE; ABANDONMENT.--

4 (a) If the plan is adopted by the members or
5 stockholders of the transferring financial entity, the
6 president or vice president and the cashier, manager, or
7 corporate secretary of such financial entity shall submit the
8 adopted plan to the department, together with a certified copy
9 of the resolution of the members or stockholders approving it.

10 (b) Upon receipt of the certified copies and evidence
11 that the participating financial entities have complied with
12 all applicable federal law and regulations, the department
13 shall certify, in writing, to the participants that the plan
14 has been approved ~~adopted-and-is-in-compliance-with-the~~
15 ~~provisions-of-this-section~~.

16 (c) Notwithstanding approval of the members or
17 stockholders or certification by the department, the board of
18 directors of the transferring financial entity may, in its
19 discretion, abandon such a transaction without further action
20 or approval by the members or stockholders, subject to the
21 rights of third parties under any contracts relating thereto.

22 (5) FEDERALLY CHARTERED INSTITUTION AS A
23 PARTICIPANT.--If one of the participants in a transaction
24 under this section is a federally chartered financial entity,
25 all participants must also comply with such requirements as
26 may be imposed by federal law for such an acquisition,
27 assumption, or sale and provide evidence of such compliance to
28 the department as a condition precedent to the issuance of a
29 certificate authorizing the transaction; however, if the
30 purchasing or assuming financial entity is a federally
31

1 chartered financial entity, approval of the department is not
2 required.

3 (6) STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.--A
4 mutual financial institution may not sell all or substantially
5 all of its assets to a stock financial entity until it has
6 first converted into a capital stock financial institution in
7 accordance with s. 665.033(1) and (2). For this purpose,
8 references in s. 665.033(1) and (2) to associations are deemed
9 to refer also to credit unions; but, in the case of a credit
10 union, the provision therein concerning proxy statements does
11 not apply.

12 ~~(7)--BRANCH-OFFICES--If-the-acquisition-of-assets-or~~
13 ~~assumption-of-liabilities-includes-any-bank,-association,-or~~
14 ~~trust-company-branch-office;-a-branch-application-must-be~~
15 ~~filed-for-each-proposed-branch-office-of-the-acquiring-or~~
16 ~~assuming-financial-entity-in-accordance-with-s.-658:26:~~

17 Section 7. Subsections (1) and (4) of section 658.21,
18 Florida Statutes, are amended to read:

19 658.21 Approval of application; findings
20 required.--The department shall approve the application if it
21 finds that:

22 (1) ~~Public-convenience-and-advantage-will-be-promoted~~
23 ~~by-the-establishment-of-the-proposed-state-bank-or-trust~~
24 ~~company.-Additionally, Local conditions indicate reasonable~~
25 ~~promise of successful operation for the proposed state bank or~~
26 ~~trust company and-those-financial-institutions-already~~
27 ~~established-in-the-primary-service-area. In determining~~
28 ~~whether an applicant meets the requirements of this~~
29 ~~subsection, the department shall consider all materially~~
30 ~~relevant factors, including:~~

1 (a) The purpose, objectives, and business philosophy
2 growth-rate;-size;-location;-financial-strength;-and-operating
3 characteristics-of-financial-institutions-in-the-primary
4 service-area of the proposed state bank or trust company.

5 (b) The projected financial performance of the
6 proposed bank or trust company growth;-economic;-and
7 demographic-characteristics-of-the-primary-service-areas-and
8 the-metropolitan-statistical-area-or-county.

9 (c) The feasibility of the proposed bank or trust
10 company, as stated in the business plan, particularly with
11 respect to asset and liability growth and management.

12 (4) The proposed officers have sufficient financial
13 institution experience, ability, standing, and reputation and
14 the proposed directors have sufficient business experience,
15 ability, standing, and reputation to indicate reasonable
16 promise of successful operation, and none of the proposed
17 officers or directors has been convicted of, or pled guilty or
18 nolo contendere to, any violation of s. 655.50, relating to
19 the Florida Control of Money Laundering in Financial
20 Institutions Act; chapter 896, relating to offenses related to
21 financial institutions; or any similar state or federal law.
22 At least one of the proposed directors who is not also a
23 proposed officer shall have had at least 1 year direct
24 experience as an executive officer, regulator, or director of
25 a financial institution within 3 years of the date of the
26 application. This requirement may be waived by the department
27 if the applicant demonstrates that the proposed director has
28 very substantial experience as an executive officer, director,
29 or regulator of a financial institution more than 3 years
30 before the date of the application. The proposed president or
31 chief executive officer shall have had at least 1 year of

1 direct experience as an executive officer, director, or
 2 regulator of a financial institution within the last 3 years.

3 Section 8. Paragraph (g) of subsection (2) of section
 4 658.23, Florida Statutes, is amended to read:

5 658.23 Submission of articles of incorporation;
 6 contents; form; approval; filing; commencement of corporate
 7 existence; bylaws.--

8 (2) The articles of incorporation shall contain:

9 (g) The number of directors, which shall be five or
 10 more, and the names and street addresses of the members of the
 11 initial first board of directors.

12

13 The department shall provide to the proposed directors form
 14 articles of incorporation which shall include only those
 15 provisions required by this section or by chapter 607. The
 16 form articles shall be acknowledged by the proposed directors
 17 and returned to the department for filing with the Department
 18 of State.

19 Section 9. Section 658.26, Florida Statutes, 1996
 20 Supplement, is amended to read:

21 658.26 Places of transacting business; branches;
 22 facilities.--

23 (1) Any bank or trust company heretofore or hereafter
 24 incorporated pursuant to this chapter shall have one main
 25 office, which shall be located within the state.

26 (2)(a) In addition, with the approval of the
 27 department and upon such conditions as the department
 28 prescribes, any bank or trust company may establish branches
 29 within or outside the state. With the approval of the
 30 department upon a determination that the resulting bank or
 31 trust company will be of sound financial condition, any bank

1 or trust company incorporated pursuant to this chapter may
 2 establish branches by merger with any other bank or trust
 3 company.

4 (b) An application for a branch shall be in writing in
 5 such form as the department prescribes and be supported by
 6 such information, data, and records as the department may
 7 require to make findings necessary for approval. Applications
 8 filed pursuant to this subsection shall not be published in
 9 the Florida Administrative Weekly but shall otherwise be
 10 subject to the provisions of chapter 120. Upon the filing of
 11 an application and a nonrefundable filing fee for the
 12 establishment of any branch permitted by paragraph (a), the
 13 department shall make an investigation with respect to
 14 compliance with the requirements of paragraph (a) and shall
 15 investigate and consider all factors relevant to such
 16 requirements, including the following:

17 1. The sufficiency of capital accounts in relation to
 18 the deposit liabilities of the bank, or in relation to the
 19 number and valuation of fiduciary accounts of the trust
 20 company, including the proposed branch, and the additional
 21 fixed assets, if any, which are proposed for the branch and
 22 its operations, without undue risk to the bank or its
 23 depositors, or undue risk to the trust company or its
 24 fiduciary accounts;

25 2. The sufficiency of earnings and earning prospects
 26 of the bank or trust company to support the anticipated
 27 expenses and any anticipated operating losses of the branch
 28 during its formative or initial years;

29 3. The sufficiency and quality of management available
 30 to operate the branch;

31

1 4. The name of the proposed branch to determine if it
 2 reasonably identifies the branch as a branch of the main
 3 office and is not likely to unduly confuse the public; and
 4 5. Substantial compliance by the applicants with
 5 applicable law governing their operations.

6 (c) A branch application, filed by a strong,
 7 well-managed state bank or trust company, which is not denied
 8 within 10 working days after receipt of the application shall
 9 be deemed approved unless the department notifies the
 10 financial institution in writing that the application was not
 11 complete.

12 (3)(a) An office in this state which has been in
 13 operation for at least 18 months may be relocated within this
 14 state upon 30 days' prior written notification to the
 15 department;--An office in this state which has been open for
 16 less than 18 months may be relocated within this state with
 17 prior written approval of the department;--if the relocation
 18 will not create an unsafe and unsound condition. An
 19 application for relocation shall be in writing in such form as
 20 the department prescribes and shall be supported by such
 21 information, data, and records as the department may require
 22 to make findings necessary for approval. Additional
 23 investments in land; buildings; leases; and leasehold
 24 improvements resulting from such relocation shall comply with
 25 the limitations imposed by s. 658.67(7)(a);--The location of
 26 an office may not be moved beyond the limits of the county or
 27 counties in which the bank or trust company maintains
 28 authorized bank or trust company offices and may not be moved
 29 outside this state unless expressly authorized by the
 30 financial institutions codes or by federal law;
 31

1 (b) Applications filed pursuant to this subsection
 2 shall not be published in the Florida Administrative Weekly
 3 but shall otherwise be subject to the provisions of chapter
 4 120. However, an application for the relocation of a main
 5 office that has not been in operation for at least 24 months
 6 shall be published in the Florida Administrative Weekly. Upon
 7 the filing of a relocation application and a nonrefundable
 8 filing fee, the department shall investigate to determine
 9 substantial compliance by the financial institution with
 10 applicable law governing its operations. Additional
 11 investments in land, buildings, leases, and leasehold
 12 improvements resulting from such relocation shall comply with
 13 the limitations imposed by s. 658.67(7)(a). A main office may
 14 not be moved outside this state unless expressly authorized by
 15 the financial institutions codes or by federal law. The
 16 redesignation of a main office and a branch office within this
 17 state may be made with prior written notification to the
 18 department;--However;--the redesignation of the main office
 19 during the bank or trust company's first 18 months of
 20 operation requires the prior written approval of the
 21 department;

22 (c) A relocation application, filed by a strong,
 23 well-managed state bank or trust company, which is not denied
 24 within 10 working days after receipt shall be deemed approved
 25 unless the department notifies the financial institution in
 26 writing that the application was not complete.

27 (d) In addition to the application required by
 28 paragraph (a), a financial institution whose main office in
 29 this state has been in operation less than 24 months must
 30 provide evidence that the criteria of s. 658.21(1) will be
 31 met.

1 (e) With 30 days' prior written notice, an established
 2 branch office may be consolidated with another established
 3 branch office when the two offices are located within a 1-mile
 4 radius. The notice shall include any information the
 5 department may prescribe by rule.

6 (f) A branch office may be closed with 30 days' prior
 7 written notice to the department. The notice shall include any
 8 information the department may prescribe by rule.

9 (4) With prior written notification to the department,
 10 any bank may operate facilities which are not physically
 11 connected to the main or branch office of the bank, provided
 12 that the facilities are situated on the property of the main
 13 or branch office or property contiguous thereto. Property
 14 which is separated from the main or branch office of a bank by
 15 only a street, and one or more walkways and alleyways are
 16 determined to be, for purposes of this subsection, contiguous
 17 to the property of the main or branch office.

18 (5) A bank may provide, directly or through a contract
 19 with another company, off-premises armored car service to its
 20 customers. Armored car services shall not be considered a
 21 branch for the purposes of subsection (2).

22 (6)(a) Any state bank that is a subsidiary of a bank
 23 holding company may agree to receive deposits, renew time
 24 deposits, close loans, service loans, and receive payments on
 25 loans and other obligations, as an agent for an affiliated
 26 depository institution.

27 (b) The term "close loan" does not include the making
 28 of a decision to extend credit or the extension of credit.

29 (c) As used in this section, "receive deposits" means
 30 the taking of deposits to be credited to an existing account
 31 and does not include the opening or origination of new deposit

1 accounts at an affiliated institution by the agent
 2 institution.

3 (d) Under this section, affiliated banks may act as
 4 agents for one another regardless of whether the institutions
 5 are located in the same or different states. This section
 6 applies solely to affiliated depository institutions acting as
 7 agents, and has no application to agency relationships
 8 concerning nondepositories as agent, whether or not affiliated
 9 with the depository institution.

10 (e) In addition, under this section, agent banks may
 11 perform ministerial functions for the principal bank making a
 12 loan. Ministerial functions include, but are not limited to,
 13 such activities as providing loan applications, assembling
 14 documents, providing a location for returning documents
 15 necessary for making the loan, providing loan account
 16 information, and receiving payments. It does not include such
 17 loan functions as evaluating applications or disbursing loan
 18 funds.

19
 20 For the purposes of this section, a strong, well-managed state
 21 bank or trust company is an institution that has been in
 22 operation for at least 24 months, is well capitalized, has
 23 received a satisfactory rating at the institution's most
 24 recent state or federal safety and soundness examination, and
 25 is not the object of any enforcement action.

26 Section 10. Paragraph (b) of subsection (3) and
 27 paragraph (a) of subsection (8) of section 658.295, Florida
 28 Statutes, 1996 Supplement, are amended to read:

29 658.295 Interstate banking.--

30 (3) STATEMENT OF LEGISLATIVE INTENT.--In general,
 31 states have a strong interest in the activities and operations

1 of depository institutions doing business within their
 2 jurisdictions, regardless of the type of charter an
 3 institution holds. In particular, states have a legitimate
 4 interest in protecting the rights of consumers, businesses,
 5 and communities. Further, Congress did not intend that the
 6 Interstate Banking and Branching Efficiency Act of 1994 alter
 7 this balance and thereby weaken states' authority to protect
 8 the interests of consumers, businesses, or communities.

9 (b) Nothing in this section shall be construed to
 10 prohibit the acquisition by an out-of-state bank holding
 11 company of all or substantially all of the shares of a bank
 12 organized solely for the purpose of facilitating the
 13 acquisition of a bank that has been in existence and
 14 continuously operated as a bank for more than 3 2 years, if
 15 the acquisition has otherwise been approved pursuant to this
 16 section.

17 (8) STANDARDS FOR APPROVAL.--Except as otherwise
 18 provided in this section:

19 (a) No direct or indirect acquisition of a Florida
 20 bank or a Florida bank holding company by a bank holding
 21 company shall be permitted unless the Florida bank or all
 22 Florida bank subsidiaries of the bank holding company to be
 23 acquired have been in existence and continuously operating, on
 24 the date of such acquisition, for more than 3 years. Provided
 25 however; ~~that this subsection shall not prohibit approval of~~
 26 ~~any acquisition otherwise lawful for which a definitive~~
 27 ~~agreement for acquisition is entered into within 6 months of~~
 28 ~~the effective date of this statute;~~

29 Section 11. Subsections (2), (6), (8), and (14) of
 30 section 658.2953, Florida Statutes, 1996 Supplement, are
 31 amended to read:

1 658.2953 Interstate branching.--

2 (2) PURPOSE.--The purpose of this section is to permit
 3 interstate branching, effective May 31 June-1, 1997, by a
 4 merger transaction under s. 102 of the Riegle-Neal Interstate
 5 Banking and Branching Efficiency Act of 1994, Pub. L. No.
 6 103-328, in accordance with this section.

7 (6) AUTHORITY OF STATE BANKS TO ESTABLISH INTERSTATE
 8 BRANCHES BY MERGER.--Beginning May 31 June-1, 1997, with the
 9 prior written approval of the department, a state bank may
 10 establish, maintain, and operate one or more branches in a
 11 state other than this state pursuant to an interstate merger
 12 transaction in which the state bank is the resulting bank. No
 13 later than the date on which the required application for the
 14 interstate merger transaction is filed with the responsible
 15 federal bank regulatory agency, the applicant state bank shall
 16 file an application on a form prescribed by the department
 17 accompanied by the required fee pursuant to s. 658.73. The
 18 applicant shall also comply with the provisions of ss.
 19 658.40-658.45. branching.--

20 (8) NOTICE AND FILING REQUIREMENTS.--Any out-of-state
 21 bank that will be the resulting bank pursuant to an interstate
 22 merger transaction involving a Florida bank shall notify the
 23 department of the proposed merger within 15 days after the
 24 date on which it files an application for an interstate merger
 25 transaction with the appropriate federal regulatory agency. A
 26 ~~copy of the application shall be submitted to the department~~
 27 ~~accompanied by the required filing fee; pursuant to s. 658.73;~~
 28 ~~Any out-of-state bank that shall be the resulting bank in such~~
 29 ~~an interstate merger transaction shall comply with applicable~~
 30 ~~requirements of ss. 607.1501-607.1532;~~

31 (14) ADDITIONAL BRANCHES; POWERS.--

1 (a) An out-of-state bank or bank holding company that
2 has acquired a bank in this state pursuant to s. 658.295, or
3 by interstate merger pursuant to this section, may establish
4 an additional branch or additional branches in this state to
5 the same extent that any Florida bank may establish a branch
6 or branches in this state.

7 ~~(b)--An out-of-state bank desiring to establish and~~
8 ~~maintain a branch in this state pursuant to this section shall~~
9 ~~provide written notice of the proposed transaction to the~~
10 ~~department within 45 days after the date on which the bank~~
11 ~~applies to the responsible federal bank regulatory agency for~~
12 ~~approval to establish the branch.--The filing of such notice~~
13 ~~shall be accompanied by the filing fee pursuant to s. 658.73:~~

14 (b)(c) An out-of-state bank may conduct only those
15 activities at its Florida branch or branches that are
16 authorized under the laws of this state or of the United
17 States. However, an out-of-state bank with trust powers
18 resulting from an interstate merger transaction with one or
19 more Florida banks with trust powers shall be entitled to and
20 may exercise all trust powers in this state as a Florida bank
21 with trust powers that participated in the transaction.

22 Section 12. Subsections (2) and (3) of section 658.73,
23 Florida Statutes, 1996 Supplement, are amended to read:

24 658.73 Fees and assessments.--

25 (2) Applications filed with the department shall be
26 accompanied by payment of the following nonrefundable fees:

27 (a) Fifteen thousand dollars for each application for
28 authority to organize a new state bank or state trust company.

29 (b) Two thousand five hundred dollars for each
30 application by an existing bank or association for trust
31 powers.

1 (c) Seven thousand five hundred dollars for each
2 application for authority to acquire a controlling interest in
3 a state bank or state trust company; however, if more than one
4 bank or trust company is being acquired in any such
5 application, the fee shall be increased by \$3,500 for each
6 additional bank or trust company. However, in no event shall
7 the fee exceed \$15,000.

8 (d) Seven thousand five hundred dollars for each
9 application for conversion of a national bank to a state bank.

10 (e) Seven two-thousand-five hundred fifty dollars for
11 each application to establish a branch of a strong,
12 well-managed state bank; an out-of-state bank; or a state
13 trust company as defined in s. 658.26. One thousand five
14 hundred dollars for each application to establish a branch by
15 any other state bank or state trust company.

16 (f) One thousand five hundred dollars for each
17 application for authority to establish a trust service office
18 of a state trust company or of a trust department of a state
19 bank or association, and a like amount for each application by
20 a bank or association with trust powers which is not a state
21 bank or state association for authority to establish a trust
22 service office at a state bank, state association, or state
23 credit union.

24 (g) Seven thousand five hundred dollars for each
25 application for a merger or consolidation; however, if three
26 or more banks or trust companies are involved in any such
27 application, the fee shall be \$3,500 for each involved
28 institution. However, in no event shall the fee exceed
29 \$15,000.

30 (h) Two thousand five hundred dollars to establish a
31 successor institution.

1 (i) Two hundred fifty dollars for each application by
 2 a strong, well-managed state bank or trust company, as defined
 3 in s. 658.26, to relocate the main office of a state bank or a
 4 state trust company. Each other state bank or trust company
 5 shall pay a fee of \$750 for each application for relocation of
 6 its main office. Seven-thousand-five-hundred-dollars-for-each
 7 application-by-an-out-of-state-bank-holding-company-to-make-an
 8 acquisition-pursuant-to-s:-658:295:

9 (i) Two thousand five hundred dollars for each
 10 application for the purchase of assets and the assumption of
 11 liabilities. If, as a result of such application, the
 12 applicant will establish more than 10 branch offices within
 13 this state, an application fee of \$100 is required for each
 14 additional branch office.

15 (3)(a) If, as a result of any application filed with
 16 the department, the department determines that an examination
 17 is necessary to assess the financial condition of any
 18 financial institution, the applying financial institution
 19 shall pay to the department a nonrefundable examination fee,
 20 pursuant to s. 655.045(1).

21 (b) The department may refund up to one-half of the
 22 fee submitted with an application if the application is
 23 withdrawn by the applicant prior to publication in the Florida
 24 Administrative Weekly.

25 (4)(3) The amounts of all fees and assessments
 26 provided for in this section shall be deemed to be maximum
 27 amounts; and the department has the authority to establish, by
 28 rule, and from time to time to change, fees and assessments in
 29 amounts less than the maximum amounts stated in this section.

30 Section 13. Section 663.06, Florida Statutes, is
 31 amended to read:

1 663.06 Licenses; permissible activities.--

2 (1) An international banking corporation licensed to
 3 operate an office in this state may engage in the business
 4 authorized by this part at the office specified in such
 5 license for an indefinite such period as-is-provided-in
 6 subsection-(2)-or-subsection-(3). An international banking
 7 corporation may operate more than one international bank
 8 agency, international branch, or international representative
 9 office, each at a different place of business, provided that
 10 each office shall be separately licensed. No license to
 11 operate an international bank office is transferable or
 12 assignable. However, the location of an international bank
 13 office may be changed after notification of the department.
 14 Every such license shall be, at all times, conspicuously
 15 displayed in the place of business specified therein.

16 ~~(2)--Except-as-provided-in-subsection-(3);-a-license-to~~
 17 ~~operate-an-international-bank-agency;-international-branch;~~
 18 ~~international-representative-office;-or-international~~
 19 ~~administrative-office-shall-be-valid-for-a-period-of-4-year;~~
 20 ~~unless-such-license-is-suspended-or-revoked-sooner-pursuant-to~~
 21 ~~subsection-(5):--The-license-may-be-renewed-annually-upon~~
 22 ~~application-to-the-department;-upon-forms-available-for-that~~
 23 ~~purpose;-within-30-days-prior-to-the-expiration-of-the~~
 24 ~~license:--The-license-may-be-renewed-by-the-department;-in-its~~
 25 ~~discretion;-upon-its-determination;-with-or-without~~
 26 ~~examination;-that-the-international-banking-corporation-is-in~~
 27 ~~a-safe-and-sound-condition-and-has-complied-with-all~~
 28 ~~requirements-of-law-with-respect-to-the-international-bank~~
 29 ~~agency;-international-branch;-international-representative~~
 30 ~~office;-or-international-administrative-office;-that-the~~
 31 ~~renewal-of-the-license-will-not-be-detrimental-to-the-public~~

1 interest; and that the renewal has been duly authorized by
 2 proper corporate action. Each application for renewal of a
 3 license shall be accompanied by the fee prescribed in s.
 4 663.42:

5 ~~(3)~~ Notwithstanding the provisions of subsection (2);
 6 the department may, in its discretion, issue a license to an
 7 international banking corporation for an indefinite period if
 8 it finds that the international banking corporation has
 9 satisfied the requirements for renewal of its license and has
 10 held a license for the previous 3 years. However, an
 11 indefinite license to operate an international bank agency or
 12 international branch may not be issued to an international
 13 banking corporation unless it has held one or the other of
 14 such licenses for at least 3 years. A license issued for an
 15 indefinite period shall be valid without renewal unless
 16 suspended or revoked pursuant to subsection (5). An
 17 international banking corporation that is granted a license
 18 for an indefinite period shall file with the department such
 19 annual financial statements as the department may require and
 20 shall pay an annual fee equal to the annual renewal fee for
 21 each license held by the international banking corporation.
 22 Such annual fee shall be paid not later than January 31 of
 23 each year:

24 (2)(4) An international banking corporation which
 25 proposes to terminate the operations of its international bank
 26 agency, international branch, international representative
 27 office, or international administrative office shall surrender
 28 its license to the department and comply with such procedures
 29 as the department may prescribe by rule.

30 (3)(5) An international bank agency, international
 31 branch, international representative office, or international

1 administrative office license may be suspended or revoked by
 2 the department, with or without examination, upon its
 3 determination that the international banking corporation does
 4 not meet all requirements for original licensing or any of the
 5 criteria established by subsection (2) for renewal of a
 6 license. The department may by rule prescribe additional
 7 conditions or standards under which the license of an
 8 international bank agency, international branch, international
 9 representative office, or international administrative office
 10 may be suspended or revoked.

11 (4)(6) In the event any such license is surrendered by
 12 the international banking corporation or is suspended or
 13 revoked by the department, or the renewal thereof is refused
 14 by the department, all rights and privileges of the
 15 international banking corporation to transact the business
 16 thus licensed shall cease. The department shall, by rule,
 17 prescribe procedures for the surrender of a license and for
 18 the orderly cessation of business by an international banking
 19 corporation in a manner which is not harmful to the interests
 20 of its customers or of the public.

21 (5)(7) In addition to the activities in which it is
 22 expressly permitted to engage:

23 (a) An international branch may engage in any
 24 activities permissible for an international bank agency.

25 (b) An international bank agency may engage in any
 26 activities permissible for an international administrative
 27 office.

28 (c) An international administrative office may engage
 29 in any activities permissible for an international
 30 representative office.

31

1 Section 14. Paragraph (e) of subsection (1) and
 2 subsection (2) of section 663.12, Florida Statutes, are
 3 amended to read:
 4 663.12 Fees; assessments; fines.--
 5 (1) Each application for a license under the
 6 provisions of this part shall be accompanied by a
 7 nonrefundable filing fee payable to the department in the
 8 following amount:
 9 (e) Two thousand dollars annually for operating an
 10 international representative office or international
 11 administrative office ~~the annual renewal of an existing~~
 12 ~~license.~~
 13 (2) Each international bank agency, international
 14 branch and state-chartered investment company shall pay to the
 15 department a semiannual assessment, payable on or before
 16 January 31 and July 31 of each year, in an amount determined
 17 by rule by the department and calculated in a manner so as to
 18 recover the costs of the department incurred in connection
 19 with the supervision of international banking activities
 20 licensed under this part. These rules shall provide for
 21 uniform rates of assessment for all licenses of the same type,
 22 shall provide for declining rates of assessment in relation to
 23 the total assets of the licensee held in the state, but shall
 24 not, in any event, provide for rates of assessment which
 25 exceed the rate applicable to state banks pursuant to s.
 26 ~~658.73, unless the rate of assessment would result in a~~
 27 ~~semiannual assessment of less than \$1,000.~~ For the purposes
 28 of this subsection, the total assets of an international bank
 29 agency, international branch, or state-chartered investment
 30 company shall include amounts due the agency or branch or
 31 state investment company from other offices, branches, or

1 subsidiaries of the international banking corporations or
 2 other corporations of which the agency, branch, or
 3 state-chartered investment company is a part or from entities
 4 related to that international banking corporation.
 5 Section 15. Sections 667.001, 667.002, 667.003,
 6 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010,
 7 667.011, 667.012, and 667.013, Florida Statutes, are created
 8 to read:
 9 667.001 Short title.--This chapter may be cited as the
 10 "Florida Savings Bank Act."
 11 667.002 Definitions.--Except to the extent
 12 specifically qualified by context, when used in this chapter:
 13 (1) "Capital stock" means the aggregate of shares of
 14 nonwithdrawable capital issued by a capital stock association,
 15 but does not include nonwithdrawable capital represented by
 16 capital certificates.
 17 (2) " Dwelling unit" means a single, unified
 18 combination of rooms which is designed for residential use by
 19 one family in a multiple dwelling unit structure and which is
 20 not "home property."
 21 (3) "Earnings" means that part of the sources
 22 available for payment of earnings of a savings bank which is
 23 declared payable on savings accounts from time to time by the
 24 board of directors and is the cost of savings money to the
 25 savings bank. Earnings also may be referred to as "interest."
 26 (4) "Home property" means real estate on which is
 27 located, or will be located pursuant to a real estate loan, a
 28 structure designed for residential use by one family or a
 29 single condominium unit, including common elements pertinent
 30 to such unit, designed for residential use by one family in a
 31

1 ~~multiple-dwelling-unit structure or complex and including~~
 2 ~~fixtures, home furnishings, and equipment.~~

3 (5) "Liquid assets" means:

4 (a) Cash on hand.

5 (b) Cash on deposit in a federal home loan bank or
 6 federal reserve bank, or a state bank which performs similar
 7 reserve functions, and which is withdrawable upon not more
 8 than 30 days' notice and which is not pledged as security for
 9 indebtedness. Any deposits in a financial depository
 10 institution under the control of or in the possession of any
 11 supervisory authority are not liquid assets.

12 (c) Obligations of, or obligations which are fully
 13 guaranteed as to principal and interest by, the United States
 14 or this state.

15 (d) Such other assets as may be approved by the
 16 department which are accepted as liquid assets for federally
 17 insured savings banks by the appropriate federal regulatory
 18 agency.

19 (6) "Net income" means gross revenues for an
 20 accounting period, less all expenses paid or incurred, taxes,
 21 and losses sustained as shall not have been charged to
 22 reserves pursuant to the provisions of this chapter.

23 (7) "Primarily residential property" means real estate
 24 on which there is located, or will be located pursuant to a
 25 real estate loan:

26 (a) Any structure designed or used primarily for
 27 residential rather than nonresidential purposes and consisting
 28 of more than one dwelling unit.

29 (b) Any structure designed or used primarily for
 30 residential rather than nonresidential purposes for students,
 31 residents and persons under care, employees, or members of the

1 ~~staff of an educational, health, or welfare institution or~~
 2 ~~facility.~~

3 (c) Any structure which is used in part for
 4 residential purposes for not more than one family and in part
 5 for business purposes, provided the residential use of such
 6 structure must be substantial and permanent, not merely
 7 transitory.

8 (8) "Real estate loan" means any loan or other
 9 obligation secured by a lien on real estate in any state held
 10 in fee or in a leasehold extending or renewable automatically
 11 for a period of at least 15 years beyond the date scheduled
 12 for the final principal payment of such loan or obligation, or
 13 any transaction out of which a lien or claim is created
 14 against such real estate, including, but not limited to, the
 15 purchase of such real estate in fee by a savings bank and the
 16 concurrent or immediate sale of such real estate on
 17 installment contract.

18 (9) "Savings account" means that part of the savings
 19 liability of the savings bank which is credited to the account
 20 of the holder of such account. A savings account also may be
 21 referred to as a "savings deposit."

22 (10) "Savings bank" means a capital stock or mutual
 23 savings bank subject to the provisions of this chapter.

24 (11) "Savings liability" means the aggregate amount of
 25 savings accounts of depositors, including earnings credited to
 26 such accounts, less redemptions and withdrawals.

27 (12) "State savings bank" means any savings bank which
 28 has an existing savings bank charter issued pursuant to the
 29 provisions of the financial institutions codes.

30 (13) "Stockholder" means the holder of one or more
 31 shares of any class of capital stock of a capital stock

1 savings bank organized or operating pursuant to the provisions
2 of this chapter.
3 667.003 Applicability of chapter 658.--Any state
4 savings banks is subject to all the provisions, and entitled
5 to all the privileges, of the financial institutions codes
6 except where it appears, from the context or otherwise, that
7 such provisions clearly apply only to banks or trust companies
8 organized under the laws of this state or the United States.
9 Without limiting the foregoing general provisions, it is the
10 intent of the Legislature that the following provisions apply
11 to a savings bank to the same extent as if the savings bank
12 were a "bank" operating under such provisions:
13 (1) Section 658.12, relating to definitions.
14 (2) Section 658.16, relating to creation of banking or
15 trust corporation.
16 (3) Section 658.19, relating to application for
17 authority to organize a bank or trust company.
18 (4) Section 658.20, relating to investigation by
19 department.
20 (5) Section 658.21, relating to approval of
21 application; findings required.
22 (6) Section 658.22, relating to coordination with
23 federal agencies.
24 (7) Section 658.23, relating to submission of articles
25 of incorporation; contents; form; approval; filing;
26 commencement of corporate existence; bylaws.
27 (8) Section 658.235, relating to subscriptions for
28 stock; approval of major shareholders.
29 (9) Section 658.24, relating to organizational
30 procedures.
31 (10) Section 658.25, relating to opening for business.

1 (11) Section 658.26, relating to places of transacting
2 business; branches; facilities.
3 (12) Section 658.295, relating to interstate banking.
4 (13) Section 658.2953, relating to interstate
5 branching.
6 (14) Section 658.30, relating to application of the
7 Florida Business Corporation Act.
8 (15) Section 658.32, relating to annual meetings.
9 (16) Section 658.33, relating to directors, number,
10 qualifications; officers.
11 (17) Section 658.34, relating to shares of capital
12 stock.
13 (18) Section 658.35, relating to share options;
14 warrants.
15 (19) Section 658.36, relating to changes in capital.
16 (20) Section 658.37, relating to dividends and
17 surplus.
18 (21) Section 658.38, relating to deposit insurance.
19 (22) Section 658.39, relating to stockholders;
20 examination of records.
21 (23) Section 658.40, relating to definitions for
22 merger and consolidation.
23 (24) Section 658.41, relating to merger; resulting
24 state or national bank.
25 (25) Section 658.42, relating to plan of merger and
26 merger agreement.
27 (26) Section 658.43, relating to approval by
28 department; valuation of assets; emergency action.
29 (27) Section 658.44, relating to approval by
30 stockholders; rights of dissenters; preemptive rights.
31

1 (28) Section 658.45, relating to certificate of merger
2 and effective date; effect on charters and powers.
3 (29) Section 658.48, relating to loans.
4 (30) Section 658.49, relating to loans by banks not
5 exceeding \$50,000.
6 (31) Section 658.491, relating to commercial loans by
7 financial institutions.
8 (32) Section 658.51, relating to banks authorized to
9 make commodity loans.
10 (33) Section 658.59, relating to borrowing; limits of
11 indebtedness.
12 (34) Section 658.60, relating to depositories of
13 public moneys and pledge of assets.
14 (35) Section 658.65, relating to remote financial
15 service units.
16 (36) Section 658.67, relating to investment powers and
17 limitations.
18 (37) Section 658.73, relating to fees and assessments.
19 (38) Section 658.79, relating to taking possession of
20 insolvent state banks or trust companies.
21 (39) Section 658.80, relating to appointment of
22 receiver or liquidator.
23 (40) Section 658.81, relating to department action;
24 notice and court confirmation.
25 (41) Section 658.82, relating to receiver; powers and
26 duties.
27 (42) Section 658.83, relating to liquidator; powers
28 and duties.
29 (43) Section 658.84, relating to transfers by banks
30 and other acts in contemplation of insolvency.
31

1 (44) Section 658.90, relating to receivers or
2 liquidators under supervision of department.
3 (45) Section 658.94, relating to prima facie evidence.
4 (46) Section 658.95, relating to voluntary
5 liquidation.
6 (47) Section 658.96, relating to procedure in
7 voluntary liquidation.
8 667.004 Name.--The name of every savings bank shall
9 include the words "savings bank." The use of the words
10 "National," "Federal," "United States," "insured," or
11 "guaranteed," separately or in any combination thereof with
12 other words or syllables, is prohibited as part of the
13 corporate name of a savings bank.
14 667.005 Reorganization, merger, or consolidation with
15 a foreign savings bank.--
16 (1) A savings bank shall have the power to reorganize,
17 merge, or consolidate with a foreign savings bank, as defined
18 in s. 667.013, subject to the approval of the department.
19 (2) If the resulting or surviving savings bank is to
20 be a foreign savings bank, the department shall not approve
21 the proposed transaction unless:
22 (a) The laws of the state in which the foreign savings
23 bank has its principal place of business permit savings banks
24 in that state to reorganize, merge, or consolidate with
25 Florida savings banks in transactions in which the resulting
26 or surviving savings bank is a Florida savings bank.
27 (b) The constituent Florida savings bank has been in
28 existence and continuously operating for more than 2 years.
29 (3) A proposed transaction in which the resulting or
30 surviving savings bank is to be a foreign savings bank shall
31 be subject to any conditions, restrictions, and requirements

1 that would apply in the state where the foreign savings bank
 2 has its principal place of business if the resulting or
 3 surviving savings bank were to be a Florida savings bank,
 4 which conditions, restrictions, and requirements would not
 5 apply to a reorganization, merger, or consolidation of savings
 6 banks all of which are located in that state.

7 (4) A foreign savings bank which is the resulting or
 8 surviving savings bank in a reorganization, merger, or
 9 consolidation with a Florida savings bank shall not be
 10 considered a Florida savings bank.

11 (5) Each application for reorganization, merger, or
 12 consolidation with a foreign savings bank shall be accompanied
 13 by a nonrefundable filing fee as provided in s. 658.73(2)(a).

14 667.006 Conversion of state or federal mutual savings
 15 bank or state or federal mutual association to capital stock
 16 savings bank.--

17 (1) CONVERSION INTO CAPITAL STOCK SAVINGS BANK.--Any
 18 state or federal mutual savings bank or state or federal
 19 mutual association may apply to the department for permission
 20 to convert itself into a capital stock savings bank operated
 21 under the provisions of this chapter in accordance with the
 22 following procedures:

23 (a) The board of directors shall approve a plan of
 24 conversion by resolution adopted by a majority vote of all the
 25 directors. The plan shall include, but not be limited to:

26 1. Financial statements of the savings bank as of the
 27 last day of the month preceding adoption of the plan.

28 2. Such financial data as may be required to determine
 29 compliance with applicable regulatory requirements respecting
 30 financial condition.

31

1 3. A provision that each savings account holder of the
 2 mutual savings bank will receive a withdrawable account in the
 3 capital stock savings bank equal in amount to his withdrawable
 4 account in the mutual savings bank.

5 4. A provision that each member of record will be
 6 entitled to receive rights to purchase voting common stock.

7 5. Pro forma financial statements of the savings bank
 8 as a capital stock savings bank, which shall include data
 9 required to determine compliance with applicable regulatory
 10 requirements respecting financial condition.

11 6. With particularity, the business purpose to be
 12 accomplished by the conversion.

13 7. Such other information as the department may
 14 require by rule.

15 (b) The plan of conversion shall be executed by a
 16 majority of the board of directors and submitted to the
 17 department for approval prior to any vote on conversion by the
 18 members.

19 (c) The department may approve or disapprove the plan
 20 in its discretion, but it shall not approve the plan unless it
 21 finds that the savings bank will comply sufficiently with the
 22 requirements of the financial institutions codes after
 23 conversion to entitle it to become a savings bank operating
 24 under the financial institutions codes and the rules of the
 25 department. The department may deny any application from any
 26 federal savings bank that is subject to any cease and desist
 27 order or other supervisory restriction or order imposed by any
 28 state or the federal supervisory authority, or insurer, or
 29 guarantor or that has been convicted of, or pled guilty or
 30 nolo contendere to, a violation of s. 655.50, relating to the
 31 Florida Control of Money Laundering in Financial Institutions

1 Act: chapter 896, relating to offenses related to financial
 2 transactions; or any similar state or federal law.

3 (d) If the department approves the plan of conversion,
 4 the question of such conversion may be submitted to the
 5 members at a meeting of voting members called to consider such
 6 action. A vote of 51 percent or more of the total number of
 7 votes eligible to be cast shall be required for approval,
 8 unless federal law permits a lesser percentage of votes for a
 9 federal mutual savings bank to convert, in which case that
 10 percentage shall control. Notice of the meeting, giving the
 11 time, place, and purpose thereof, together with a proxy
 12 statement and proxy form covering all matters to be brought
 13 before the meeting, shall be mailed at least 30 days prior to
 14 the meeting to the department for review and to each voting
 15 member at his or her last address as shown on the books of the
 16 savings bank.

17 (2) MINUTES OF MEETING.--Copies of the minutes of the
 18 meeting of members, verified by the affidavit of the secretary
 19 or assistant secretary of the savings bank, shall be filed
 20 with the department and with the appropriate federal
 21 regulatory agency, within a reasonable time after the meeting.
 22 When so filed, the verified copies of the minutes are
 23 presumptive evidence of the holding of the meeting and of the
 24 action taken.

25 (3) FILING OF ARTICLES OF INCORPORATION AND COMMITMENT
 26 FOR INSURANCE OF ACCOUNTS.--The directors of the savings bank
 27 shall have executed and filed with the department proposed
 28 articles of incorporation as provided in s. 658.23, together
 29 with the application for conversion and a firm commitment for,
 30 or evidence of, insurance of deposits and other accounts of a
 31 withdrawable type. The articles shall contain a statement that

1 the savings bank resulted from the conversion of a state or
 2 federal mutual savings bank to a capital stock savings bank.
 3 Approval by the department shall be affixed to the articles of
 4 incorporation. A copy of the articles of incorporation shall
 5 be filed with the Department of State and one copy of the
 6 articles of incorporation and the certificate of incorporation
 7 shall be returned to the savings bank. The savings bank shall
 8 cease to be a mutual savings bank at the time and on the date
 9 specified in the approved articles of incorporation.

10 (4) SUCCESSION.--Upon conversion of a mutual savings
 11 bank, the legal existence of the savings bank shall not
 12 terminate, but the capital stock savings bank shall be a
 13 continuation of the entity of the mutual savings bank, and all
 14 property of the mutual savings bank, including its rights,
 15 titles, and interests in and to all property of whatever kind,
 16 whether real, personal, or mixed, things in action, and every
 17 right, privilege, interest, and asset of every conceivable
 18 value or benefit then existing or pertaining to it, or which
 19 would inure to it, immediately, by act of law and without any
 20 conveyance or transfer and without any further act or deed,
 21 shall vest and remain in the capital stock savings bank into
 22 which the mutual savings bank has converted. The capital stock
 23 savings bank shall have, hold, and enjoy the same in its own
 24 right as fully and to the same extent as the same was
 25 possessed, held, and enjoyed by the mutual savings bank. The
 26 capital stock savings bank, upon the taking effect of the
 27 conversion, shall continue to have and succeed to all the
 28 rights, obligations, and relations of the mutual savings bank.
 29 All pending actions and other judicial proceedings to which
 30 the mutual savings bank is a party shall not be abated or
 31 discontinued by reason of the conversion but may be prosecuted

1 to final judgment, order, or decree in the same manner as if
 2 the conversion had not been made, and the capital stock
 3 savings bank resulting from the conversion may continue the
 4 actions in its corporate name as a mutual savings bank. Any
 5 judgment, order, or decree may be rendered for or against it
 6 which might have been rendered for or against the mutual
 7 savings bank theretofore involved in the proceedings.

8 (5) FEE.--The application for conversion from a state
 9 or federal mutual to a state capital stock savings bank shall
 10 be accompanied by a nonrefundable filing fee of \$7,500.
 11 Additionally, the department is authorized to assess any
 12 savings bank applying to convert pursuant to this section a
 13 nonrefundable examination fee to cover the actual costs of any
 14 examination required as part of the application process.

15 667.007 Supervisory case; emergency conversion,
 16 reorganization, merger, consolidation; acquisition of
 17 assets.--

18 (1) The department may determine that a state or
 19 federal savings bank is a supervisory case if it finds that:

20 (a) The savings bank is insolvent; or

21 (b) The savings bank is imminently insolvent.

22
 23 Any such finding by the department shall be based upon reports
 24 furnished to it by a state or federal regulatory agency or
 25 upon other evidence from which it is reasonable to conclude
 26 that the savings bank is a supervisory case.

27 (2) Notwithstanding any other provision of this
 28 chapter or chapter 120, if the department finds that immediate
 29 action is necessary to protect the interests of depositors and
 30 reduce the potential for claims against the insurance fund, or
 31 in order to prevent the probable failure of a state or federal

1 savings bank which is a supervisory case, the department shall
 2 have the power, with the concurrence of the appropriate
 3 federal regulatory agency in the case of any savings bank the
 4 deposits of which are federally insured, to issue an emergency
 5 order authorizing:

6 (a) The conversion of such savings bank from a state
 7 to a federal charter, or vice versa, without change of
 8 business form;

9 (b) The reorganization, merger, or consolidation of
 10 such state or federal savings bank with another state or
 11 federal savings bank;

12 (c) The conversion of such state or federal savings
 13 bank into a state or federal capital stock savings bank; or

14 (d) Any state or federal savings bank to acquire the
 15 assets of, and assume the liabilities of, such failing savings
 16 bank.

17 667.008 Acquisition of assets of or control over a
 18 savings bank.--

19 (1)(a) In any case in which a person or group of
 20 persons proposes to purchase or acquire voting common stock of
 21 any capital stock savings bank, which purchase or acquisition
 22 would cause such person or group of persons to have control,
 23 as defined herein, of that savings bank, such person or group
 24 of persons must first make application to the department for a
 25 certificate of approval of such purchase or acquisition.

26 (b) An application for control shall be in such form
 27 and request such information as the department may require by
 28 rule.

29 (c) The application for control shall be accompanied
 30 by a nonrefundable filing fee of \$7,500; however, if more than
 31 one savings bank is being acquired in any such application.

1 the fee shall be increased by \$3,000 for each additional
 2 savings bank.
 3 (2) The department shall issue the certificate of
 4 approval only after it has made an investigation and
 5 determined that:
 6 (a) The proposed new owner or owners of voting capital
 7 stock are qualified by character, experience, and financial
 8 responsibility to control the savings bank in a legal and
 9 proper manner and none of the proposed new owners have been
 10 convicted of, or pled guilty or nolo contendere to, a
 11 violation of s. 655.50, relating to the Florida Control of
 12 Money Laundering in Financial Institutions Act; chapter 896,
 13 relating to offenses related to financial transactions; or any
 14 similar state or federal law.
 15 (b) The interests of the public generally will not be
 16 jeopardized by the proposed purchase or acquisition of voting
 17 capital stock.
 18 (3) This section does not apply to the acquisition of:
 19 (a) Directors' voting proxies acquired in the normal
 20 course of business as a result of proxy solicitation in
 21 conjunction with a stockholders' meeting;
 22 (b) Stock in a fiduciary capacity unless the acquiring
 23 person has sole discretionary authority to exercise voting
 24 rights with respect thereto;
 25 (c) Stock acquired in securing or collecting a debt
 26 contracted in good faith until 2 years after the date of
 27 acquisition;
 28 (d) Stock acquired by an underwriter in good faith and
 29 without any intent to evade the purpose of this section if the
 30 shares are held only for such reasonable period of time as
 31 will permit the sale thereof; or

1 (e) Control of a savings bank by a unitary savings
 2 bank holding company if the person or persons who control the
 3 holding company are the same person or persons who control the
 4 savings bank.
 5 (4) For purposes of this section, a person or group of
 6 persons shall be deemed to have control of a savings bank if
 7 such person or group of persons:
 8 (a) Directly or indirectly, or acting in concert with
 9 one or more persons or through one or more subsidiaries, owns,
 10 controls, holds the power to vote, or holds proxies
 11 representing more than 25 percent of the voting common stock
 12 of such savings bank.
 13 (b) Controls in any manner the election of a majority
 14 of the directors of such savings bank.
 15 (c) Exercises a controlling influence over the
 16 management or policies of such savings bank.
 17 (d) Owns, controls, or has power to vote 10 percent or
 18 more of any class of voting securities of the savings bank, if
 19 no other person or group of persons owns, controls, or has
 20 power to vote a greater proportion of that class of voting
 21 securities. In any case in which a proposed purchase or
 22 acquisition of voting securities of a savings bank would give
 23 rise to the presumption created under this paragraph, the
 24 person or group of persons who proposes to purchase or acquire
 25 the voting securities shall first give written notice of the
 26 proposal to the department. Such notice may present
 27 information that the proposed purchase or acquisition will not
 28 result in control. The department shall afford the person
 29 seeking to rebut the presumption an opportunity to present
 30 views in writing or orally before its designated
 31 representatives at an informal conference.

1 (5)(a) A foreign savings bank, as defined in s.
2 667.013, whether controlled directly or indirectly by another
3 business organization, may acquire a Florida savings bank,
4 subject to approval by the department. The department shall
5 not approve the proposed acquisition unless:

6 1. The laws of the state in which the foreign savings
7 bank has its principal place of business permit savings banks
8 in that state to be acquired by Florida savings banks.

9 2. The Florida savings bank which is to be acquired
10 has been in existence and continuously operating for more than
11 2 years.

12 (b) The proposed acquisition shall be subject to any
13 conditions, restrictions, and requirements that would apply in
14 the state where the foreign savings bank has its principal
15 place of business if the foreign savings bank were to be
16 acquired by a Florida savings bank, which conditions,
17 restrictions, and requirements would not apply to the
18 acquisition by such foreign savings bank of another savings
19 bank in that state.

20 (c) This subsection does not apply to any merger by a
21 savings bank subject to s. 123 of Pub. L. No. 97-320.

22 667.009 Powers of savings bank generally.--Every
23 savings bank incorporated pursuant to or operating under the
24 provisions of the financial institutions codes shall have all
25 the powers enumerated, authorized, and permitted by this
26 chapter and such other rights, privileges, and powers as may
27 be incidental to or reasonably necessary or appropriate for
28 the accomplishment of the objectives and purposes of the
29 savings bank. Except as otherwise limited by the provisions of
30 the financial institutions codes, every savings bank shall
31 have the following powers:

1 (1) PROPERTY TRANSFERS.--To acquire, hold, sell,
2 dispose of, and convey real and personal estate consistent
3 with its objects and powers; to mortgage, pledge, or lease any
4 real or personal estate; and to take property by gifts,
5 devise, or bequest.

6 (2) SUBORDINATED DEBT.--To issue and sell, directly or
7 through underwriters, subordinated debt which shall represent
8 nonwithdrawable capital contributions and shall constitute
9 part of the equity capital of the savings bank. Such debt
10 shall have no voting rights; shall be subordinate to all
11 savings accounts, debt obligations, and claims of creditors of
12 the savings bank; and shall constitute a claim in liquidation
13 against any other equity capital account remaining after the
14 payment in full of all savings accounts, debt obligations, and
15 claims of creditors. Such subordinated debt shall be entitled
16 to the payment of earnings prior to the allocation of any
17 income to surplus or other equity capital accounts of the
18 savings bank and may be issued with a fixed rate of earnings
19 or with a prior claim to distribution of a specified
20 percentage of any net income remaining after required
21 allocations to reserves, or a combination thereof. Losses
22 shall be charged against subordinated debt only after other
23 equity capital accounts have been exhausted.

24 (3) SALE OF LOANS.--To sell with or without recourse
25 any loan, including any participating interests therein.

26 (4) SERVICING.--To service loans and investments for
27 others.

28 (5) AGENT.--To act as agent or escrowee for others in
29 any transaction incidental to the operation of its business.

30 (6) LIMITED TRUSTEESHIP.--To act, and receive
31 compensation therefor, as trustee of any trust created or

1 ~~organized in the United States and forming a part of a stock~~
 2 ~~bonus, pension, or profit-sharing plan which qualifies or is~~
 3 ~~qualified for specific tax treatment under s. 401 of the~~
 4 ~~Internal Revenue Code of 1954, as amended, and to act as~~
 5 ~~trustee or custodian of an individual retirement account~~
 6 ~~within the meaning of s. 408 of such code if the funds of such~~
 7 ~~trust or account are invested only in savings accounts of such~~
 8 ~~savings bank or in obligations or securities issued by such~~
 9 ~~savings bank. All funds held in a fiduciary capacity by any~~
 10 ~~such savings bank under the authority of this subsection may~~
 11 ~~be commingled and consolidated for appropriate purposes of~~
 12 ~~investment, provided that records reflecting each separate~~
 13 ~~beneficial interest are maintained by the fiduciary unless~~
 14 ~~such responsibility is lawfully assumed by another appropriate~~
 15 ~~party.~~

16 (7) SCHOOL SAVINGS.--To contract with the proper
 17 authorities of any public or nonpublic elementary or secondary
 18 school or institution of higher learning, or any public or
 19 charitable institution caring for minors, for the
 20 participation and implementation by the savings bank in any
 21 school or institutional thrift or savings plan, and to accept
 22 savings accounts at such a school or institution, either by
 23 its own collector or by any representative of the school or
 24 institution which becomes the agent of the savings bank for
 25 such purpose.

26 (8) PAYROLL SAVINGS.--To contract with any employer
 27 with respect to the solicitation, collection, and receipt of
 28 savings by payroll deduction to be credited to a designated
 29 account or accounts of his or her or its employee or employees
 30 who voluntarily may participate or with respect to the direct
 31 deposit of wages or salary paid by such employer to the

1 ~~account of the employee in a financial depository institution~~
 2 ~~by electronic or other medium upon authorization in writing by~~
 3 ~~the employee and his or her designation of the savings bank or~~
 4 ~~other financial depository institution as the recipient of~~
 5 ~~such deposits.~~

6 (9) DRAFTS.--To issue drafts and similar instruments
 7 drawn on the savings bank to aid in effecting withdrawals and
 8 for other purposes of the savings bank.

9 667.010 Loans.--On an annual average, based on monthly
 10 computations, a savings bank shall have invested at least 50
 11 percent of assets, other than liquid assets of a savings bank
 12 invested in either real estate loans or interests therein on
 13 home property or primarily residential property and not more
 14 than 30 percent invested in loans for agricultural, business,
 15 corporate, or commercial purposes.

16 667.011 Loan expenses.--Every savings bank may require
 17 borrowers to pay all reasonable expenses incurred in
 18 connection with the making, closing, disbursing, extending,
 19 readjusting, or renewing of real estate loans. Without
 20 limiting the generality of the foregoing, such expenses may
 21 include appraisal, attorney, abstract, recording, and
 22 registration fees; title examination; title insurance;
 23 mortgage loan insurance; credit report; survey; drawing of
 24 papers; escrow services; loan closing costs; and taxes or
 25 charges imposed upon or in connection with the making and
 26 recording of any loan. Every savings bank also may require
 27 borrowers to pay the cost of all other necessary and
 28 incidental services rendered by the savings bank or by others
 29 in connection with real estate and other loans in such
 30 reasonable amounts as may be fixed by the board of directors.
 31 Without limiting the generality of the foregoing, such costs

1 may include the costs of services of inspectors, engineers,
 2 and architects. Such initial charges may be collected by the
 3 savings bank from the borrower and paid to any person,
 4 including any director, officer, or employee of the savings
 5 bank rendering such services, or paid directly by the
 6 borrower. In lieu of such initial charges to cover such
 7 expenses and costs, a savings bank may make a reasonable
 8 charge, part or all of which may be retained by the savings
 9 bank which renders such service or part or all of which may be
 10 paid to others who render such services. The fees and charges
 11 authorized by this chapter shall be in addition to interest
 12 authorized by law and shall not be deemed to be a part of the
 13 interest collected or agreed to be paid on such loans within
 14 the meaning of any law of this state which limits the rate of
 15 interest which may be exacted in any transaction. No director,
 16 officer, or employee of a savings bank shall receive any fee
 17 or other compensation of any kind in connection with procuring
 18 any loan for a savings bank, except for services actually
 19 rendered as provided in this section.

20 667.012 Dealing with successors in interest.--In the
 21 case of any investment made by a savings bank in a real estate
 22 loan, in the event the ownership of the real estate security
 23 or any part thereof becomes vested in a person other than the
 24 party or parties originally executing the security
 25 instruments, and provided there is not an agreement in writing
 26 to the contrary, a savings bank may, without notice to such
 27 party or parties, deal with such successor or successors in
 28 interest with reference to said mortgage and the debt thereby
 29 secured in the same manner as with such party or parties, and
 30 may forbear to sue or may extend time for payment of or
 31 otherwise modify the terms of the debt secured thereby.

1 without discharging or in any way affecting the original
 2 liability of such party or parties thereunder or upon the debt
 3 thereby secured.

4 667.013 Foreign savings banks.--

5 (1) DEFINED.--For the purposes of this section, the
 6 term "foreign savings bank" includes any domestic joint
 7 venture, business trust, syndicate, firm, company, savings
 8 bank, fiduciary, partnership, or corporation, and all other
 9 groups or combinations, by whatever name called, actually
 10 engaged in the business of a savings bank, the principal
 11 business office of which is located outside the territorial
 12 limits of this state.

13 (2) ACTION BY DEPARTMENT.--The department is
 14 authorized, empowered, and directed to obtain an injunction or
 15 to take any other action necessary to prevent any foreign
 16 savings bank from unlawfully doing any business of a savings
 17 bank in this state.

18 (3) ACTIVITIES NOT CONSIDERED "DOING BUSINESS."--For
 19 the purposes of this section and any other law of this state
 20 prohibiting, limiting, or regulating the doing of business in
 21 this state by foreign savings banks or foreign corporations of
 22 any type, any federal savings bank, the principal office of
 23 which is located outside this state, and any foreign savings
 24 bank which is subject to state or federal supervision, or
 25 both, which by law are subject to periodic examination by such
 26 supervisory authority and to a requirement of periodic audit,
 27 shall not be considered to be doing business in this state by
 28 reason of engaging in any of the following activities:

29 (a) The purchase, acquisition, holding, sale,
 30 assignment, transfer, collecting, and enforcement of
 31 obligations or any interest therein secured by real estate

1 mortgages or other instruments in the nature of a mortgage,
 2 covering real property located in this state, or the
 3 foreclosure of such instruments, or the acquisition of title
 4 to such property by foreclosure, or otherwise, as a result of
 5 default under such instruments, or the holding, protection,
 6 rental, maintenance, and operation of the property so
 7 acquired, or the disposition thereof, provided such savings
 8 banks shall not hold, own, or operate such property for a
 9 period exceeding 5 years without securing the approval of the
 10 department.

11 (b) The advertising or solicitation of savings
 12 accounts or the making of any representation with respect
 13 thereto in this state through the medium of mail, radio,
 14 television, magazines, or newspapers or any other medium which
 15 is published or circulated within this state, provided that
 16 such advertising, solicitation, or the making of such
 17 representations is accurately descriptive of the facts.

18 Section 16. Effective July 1, 1997, subsection (3) is
 19 added to section 737.101, Florida Statutes, to read:

20 737.101 Principal place of administration of trust;
 21 duty to register trust.--

22 (3) Unless otherwise designated in the trust agreement
 23 and notwithstanding any other provision of this section, the
 24 principal place of administration of a trust, for which a
 25 bank, association, or trust company organized under the laws
 26 of this state or bank or savings association organized under
 27 the laws of the United States with its main office in this
 28 state has been appointed trustee, shall not be moved or
 29 otherwise affected solely because the trustee engaged in an
 30 interstate merger transaction with an out-of-state bank
 31

1 pursuant to s. 658.2953 in which the out-of-state bank is the
 2 resulting bank.

3 Section 17. Subsection (1) of section 280.03, Florida
 4 Statutes, 1996 Supplement, is amended to read:

5 280.03 Public deposits to be secured; exceptions.--

6 (1)(a) All public deposits shall be secured as
 7 provided in this chapter. Notwithstanding the provisions of
 8 any other law, a public deposit as defined in s. 280.02(13)
 9 may be deposited in a qualified public depository as defined
 10 in s. 280.02(16).

11 (b) Public funds shall not be deposited directly or
 12 indirectly in negotiable certificates of deposit. Except as
 13 otherwise provided by law, no public deposit may be made
 14 except in a qualified public depository.

15 Section 18. Effective July 1, 1997, banks or
 16 associations and trust companies resulting from an interstate
 17 merger transaction with a Florida bank pursuant to s.
 18 658.2953, Florida Statutes, and having trust powers are not
 19 prohibited from exercising any of the powers or duties and
 20 from acting in any of the capacities, within this state, as
 21 provided in s. 660.41, Florida Statutes. This section is
 22 repealed September 1, 1999.

23 Section 19. Paragraph (e) of subsection (6) of section
 24 658.295, Florida Statutes, as created by section 7 of chapter
 25 96-168, Laws of Florida, is hereby repealed.

26 Section 20. Except as otherwise provided herein, this
 27 act shall take effect October 1, 1997.
 28
 29
 30
 31

By Senator Scott

31-249A-97

A bill to be entitled

An act relating to the management and regulation of financial institutions; amending s. 655.005, F.S.; adding savings banks to the offices and relocation procedures; defining "strong, well-managed state bank or trust company"; amending s. 658.295, F.S.; deleting notice requirements; amending s. 658.2953, F.S.; deleting notice and filing fee requirements; amending s. 658.73, F.S.; revising some filing fees and authorizing refunds; amending s. 663.06, F.S.; establishing an indefinite license period for international banks; amending s. 663.12, F.S.; providing for annual operating fees and semiannual assessments; creating ss. 667.001, 667.002, 667.003, 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010, 667.011, 667.012, 667.013, F.S.; establishing the "Florida Savings Bank Act"; defining terms; providing for the applicability of specific statutory law; providing Department of Banking and Finance regulatory requirements for the establishment, reorganization, consolidation, merger, conversion, operation, acquisition, control, loan standards, and loan expenses of savings banks; authorizing the department to take action against certain foreign savings banks; providing an effective date.

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

1 Section 1. Paragraphs (g), (h), and (j) of subsection
2 (1) of section 655.005, Florida Statutes, are amended to read:

3 655.005 Definitions.--

4 (1) As used in the financial institutions codes,
5 unless the context otherwise requires, the term:

6 (g) "Federal financial institution" means a federally
7 or nationally chartered or organized association, bank,
8 savings bank, or credit union.

9 (h) "Financial institution" means a state or federal
10 association, bank, savings bank, trust company, international
11 bank agency, representative office or international
12 administrative office, or credit union.

13 (j) "Financial institutions codes" means:

- 14 1. Chapter 655, relating to financial institutions
15 generally;
- 16 2. Chapter 657, relating to credit unions;
- 17 3. Chapter 658, relating to banks and trust companies;
- 18 4. Chapter 660, relating to trust business;
- 19 5. Chapter 663, relating to international banking
20 corporations; and
- 21 6. Chapter 665, relating to associations; and
- 22 7. Chapter 667, relating to savings banks.

23 Section 2. Subsection (1) of section 655.0322, Florida
24 Statutes, is amended to read:

25 655.0322 Prohibited acts and practices; criminal
26 penalties.--

27 (1) As used in this section, the term "financial
28 institution" means a financial institution as defined in s.
29 655.50 which includes a state trust company, state or national
30 bank, state or federal association, state or federal savings
31 bank, state or federal credit union, Edge Act or agreement

1 corporation, international bank agency, representative office
2 or administrative office or other business entity as defined
3 by the department by rule, whether organized under the laws of
4 this state, the laws of another state, or the laws of the
5 United States, which institution is located in this state.

6 Section 3. Paragraph (a) of subsection (2) of section
7 655.045, Florida Statutes, is amended to read:

8 655.045 Examinations, reports, and internal audits;
9 penalty.--

10 (2)(a) The department shall require each state
11 financial institution, subsidiary, or service corporation to
12 submit a report, at least four times each calendar year, as of
13 such dates as the department may determine. ~~Each such report~~
14 ~~must contain a declaration by the chief executive officer or~~
15 ~~any other officer authorized by the board of directors to make~~
16 ~~such declaration that the report is true and correct to the~~
17 ~~best of his knowledge and belief.~~ Such report must include
18 such information as the department by rule requires for that
19 type of institution.

20 Section 4. Subsection (1) of section 655.41, Florida
21 Statutes, is amended to read:

22 655.41 Cross-industry conversions, mergers,
23 consolidations, and acquisitions; definitions used in ss.
24 655.41-655.419.--As used in ss. 655.41-655.419, the term:

25 (1) "Financial entity" means an association, bank,
26 credit union, savings bank, or trust company, or Edge Act or
27 agreement corporation organized under the laws of this state
28 or organized under the laws of the United States and having
29 its principal place of business in this state.

30 Section 5. Section 655.414, Florida Statutes, is
31 amended to read:

1 655.414 Acquisition of assets; assumption of
2 liabilities.--With prior approval of the department and upon
3 such conditions as the department prescribes by rule, any
4 financial entity may acquire all or substantially all of the
5 assets of, or assume the liabilities of, any other financial
6 entity in accordance with the procedures and subject to the
7 following conditions and limitations:

8 (1) ADOPTION OF A PLAN.--The board of directors of the
9 acquiring or assuming financial entity and the board of
10 directors of the transferring financial entity must adopt, by
11 a majority vote, a plan for such acquisition, assumption, or
12 sale on such terms as are mutually agreed upon. The plan must
13 include:

14 (a) The names and types of financial entities
15 involved.

16 (b) A statement setting forth the material terms of
17 the proposed acquisition, assumption, or sale, including the
18 plan for disposition of all assets and liabilities not subject
19 to the plan.

20 (c) A provision for liquidation of the transferring
21 financial entity upon execution of the plan.

22 (d) A statement that the entire transaction is subject
23 to written approval of the department and approval of the
24 members or stockholders of the transferring financial entity.

25 (e) If a stock financial institution is the
26 transferring financial entity and the proposed sale is not to
27 be for cash, a clear and concise statement that dissenting
28 stockholders of such financial entity are entitled to the
29 rights set forth in s. 658.44(4) and (5).

30 (f) The proposed effective date of such acquisition,
31 assumption, or sale and such other information and provisions

1 as may be necessary to execute the transaction or as may be
2 required by the department.

3 (2) APPROVAL OF DEPARTMENT.--Following approval by the
4 board of directors of each participating financial entity, the
5 plan, together with certified copies of the authorizing
6 resolutions adopted by the boards and a completed application
7 with a nonrefundable filing fee, must be forwarded to the
8 department for its approval or disapproval. The department
9 shall approve the plan of acquisition, assumption, or sale if
10 it appears that:

11 (a) The resulting financial entity would have an
12 adequate capital structure in relation to its activities and
13 its deposit liabilities;

14 (b) The plan is fair to all parties; and

15 (c) The plan is not contrary to the public interest.

16
17 If the department disapproves the plan, it shall state its
18 objections and give an opportunity to the parties to amend the
19 plan to overcome such objections.

20 (3) VOTE OF MEMBERS OR STOCKHOLDERS.--If the
21 department approves the plan, it may be submitted to the
22 members or stockholders of the transferring financial entity
23 at an annual meeting or at any special meeting called to
24 consider such action. Upon a favorable vote of 51 percent or
25 more of the total number of votes eligible to be cast or, in
26 the case of a credit union, 51 percent or more of the members
27 present at the meeting, the plan is adopted.

28 (4) ADOPTED PLAN; CERTIFICATE; ABANDONMENT.--

29 (a) If the plan is adopted by the members or
30 stockholders of the transferring financial entity, the
31 president or vice president and the cashier, manager, or

1 corporate secretary of such financial entity shall submit the
2 adopted plan to the department, together with a certified copy
3 of the resolution of the members or stockholders approving it.

4 (b) Upon receipt of the certified copies and evidence
5 that the participating financial entities have complied with
6 all applicable federal law and regulations, the department
7 shall certify, in writing, to the participants that the plan
8 has been approved ~~adopted and is in compliance with the~~
9 ~~provisions of this section.~~

10 (c) Notwithstanding approval of the members or
11 stockholders or certification by the department, the board of
12 directors of the transferring financial entity may, in its
13 discretion, abandon such a transaction without further action
14 or approval by the members or stockholders, subject to the
15 rights of third parties under any contracts relating thereto.

16 (5) **FEDERALLY CHARTERED INSTITUTION AS A**
17 **PARTICIPANT.**--If one of the participants in a transaction
18 under this section is a federally chartered financial entity,
19 all participants must also comply with such requirements as
20 may be imposed by federal law for such an acquisition,
21 assumption, or sale and provide evidence of such compliance to
22 the department as a condition precedent to the issuance of a
23 certificate authorizing the transaction; however, if the
24 purchasing or assuming financial entity is a federally
25 chartered financial entity, approval of the department is not
26 required.

27 (6) **STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.**--A
28 mutual financial institution may not sell all or substantially
29 all of its assets to a stock financial entity until it has
30 first converted into a capital stock financial institution in
31 accordance with s. 665.033(1) and (2). For this purpose,

1 references in s. 665.033(1) and (2) to associations are deemed
2 to refer also to credit unions; but, in the case of a credit
3 union, the provision therein concerning proxy statements does
4 not apply.

5 ~~(7) BRANCH OFFICES. If the acquisition of assets or~~
6 ~~assumption of liabilities includes any bank, association, or~~
7 ~~trust company branch office, a branch application must be~~
8 ~~filed for each proposed branch office of the acquiring or~~
9 ~~assuming financial entity in accordance with s. 658.26.~~

10 Section 6. Subsections (1) and (4) of section 658.21,
11 Florida Statutes, are amended to read:

12 658.21 Approval of application; findings
13 required.--The department shall approve the application if it
14 finds that:

15 (1) ~~Public convenience and advantage will be promoted~~
16 ~~by the establishment of the proposed state bank or trust~~
17 ~~company. Additionally, Local conditions indicate reasonable~~
18 ~~promise of successful operation for the proposed state bank or~~
19 ~~trust company and those financial institutions already~~
20 ~~established in the primary service area. In determining~~
21 ~~whether an applicant meets the requirements of this~~
22 ~~subsection, the department shall consider all materially~~
23 ~~relevant factors, including:~~

24 (a) The purpose, objectives, and business philosophy
25 ~~The growth rate, size, location, financial strength, and~~
26 ~~operating characteristics of financial institutions in the~~
27 ~~primary service area of the proposed state bank or trust~~
28 ~~company.~~

29 (b) The projected financial performance of the
30 proposed bank or trust company. The growth, economic, and
31

~~1 demographic characteristics of the primary service areas and~~
~~2 the metropolitan statistical area or county.~~

3 (c) The feasibility of the proposed bank or trust
4 company, as stated in the business plan, particularly with
5 respect to the growth and management of assets and
6 liabilities.

7 (4) The proposed officers have sufficient financial
8 institution experience, ability, standing, and reputation and
9 the proposed directors have sufficient business experience,
10 ability, standing, and reputation to indicate reasonable
11 promise of successful operation, and none of the proposed
12 officers or directors has been convicted of, or pled guilty or
13 nolo contendere to, any violation of s. 655.50, relating to
14 the Florida Control of Money Laundering in Financial
15 Institutions Act; chapter 896, relating to offenses related to
16 financial institutions; or any similar state or federal law.

17 At least one of the proposed directors who is not also a
18 proposed officer shall have had at least 1 year direct
19 experience as an executive officer, regulator, or director of
20 a financial institution within 3 years of the date of the
21 application. This requirement may be waived by the department
22 if the applicant demonstrates that the proposed director has
23 had before the date of application very substantial experience
24 as an executive officer, director, or regulator of a financial
25 institution for more than 3 years. The proposed president or

26 chief executive officer shall have had at least 1 year of
27 direct experience as an executive officer, director, or
28 regulator of a financial institution within the last 3 years.

29 Section 7. Paragraph (g) of subsection (2) of section
30 658.23, Florida Statutes, is amended to read:

1 658.23 Submission of articles of incorporation;
2 contents; form; approval; filing; commencement of corporate
3 existence; bylaws.--

4 (2) The articles of incorporation shall contain:

5 (g) The number of directors, which shall be five or
6 more, and the names and street addresses of the members of the
7 initial first board of directors.

8
9 The department shall provide to the proposed directors form
10 articles of incorporation which shall include only those
11 provisions required by this section or by chapter 607. The
12 form articles shall be acknowledged by the proposed directors
13 and returned to the department for filing with the Department
14 of State.

15 Section 8. Subsections (2) and (3) of section 658.26,
16 Florida Statutes, 1996 Supplement, are amended to read:

17 658.26 Places of transacting business; branches;
18 facilities.--

19 (2)(a) In addition, with the approval of the
20 department and upon such conditions as the department
21 prescribes, any bank or trust company may establish branches
22 within or outside the state. With the approval of the
23 department upon a determination that the resulting bank or
24 trust company will be of sound financial condition, any bank
25 or trust company incorporated pursuant to this chapter may
26 establish branches by merger with any other bank or trust
27 company.

28 (b) An application for a branch shall be in writing in
29 such form as the department prescribes and be supported by
30 such information, data, and records as the department may
31 require to make findings necessary for approval. Applications

1 filed pursuant to this subsection shall not be published in
2 the Florida Administrative Weekly but shall otherwise be
3 subject to the provisions of chapter 120. Upon the filing of
4 an application and a nonrefundable filing fee for the
5 establishment of any branch permitted by paragraph (a), the
6 department shall make an investigation with respect to
7 compliance with the requirements of paragraph (a) and shall
8 investigate and consider all factors relevant to such
9 requirements, including the following:

- 10 1. The sufficiency of capital accounts in relation to
11 the deposit liabilities of the bank, or in relation to the
12 number and valuation of fiduciary accounts of the trust
13 company, including the proposed branch, and the additional
14 fixed assets, if any, which are proposed for the branch and
15 its operations, without undue risk to the bank or its
16 depositors, or undue risk to the trust company or its
17 fiduciary accounts;
- 18 2. The sufficiency of earnings and earning prospects
19 of the bank or trust company to support the anticipated
20 expenses and any anticipated operating losses of the branch
21 during its formative or initial years;
- 22 3. The sufficiency and quality of management available
23 to operate the branch;
- 24 4. The name of the proposed branch to determine if it
25 reasonably identifies the branch as a branch of the main
26 office and is not likely to unduly confuse the public; and
- 27 5. Substantial compliance by the applicants with
28 applicable law governing their operations.

29 (c) A branch application filed by a strong,
30 well-managed state bank or trust company which is not denied
31 within 10 working days after receipt of the application is

1 considered approved unless the department notifies the
2 financial institution in writing that the application was not
3 complete when received.

4 (d) As used in this section, the term "strong,
5 well-managed state bank or trust company" means an institution
6 that has been in operation for at least 24 months, is well
7 capitalized, has received a satisfactory rating at its most
8 recent state or federal safety and soundness examination, and
9 is not the object of any enforcement action.

10 (3)(a) An office in this state may be relocated with
11 prior written approval of the department. An application for
12 relocation must be in writing in such form as the department
13 prescribes and must be supported by such information, data,
14 and records as the department requires to make findings
15 necessary for approval.

16 (b) Applications filed pursuant to this subsection
17 will not be published in the Florida Administrative Weekly but
18 will otherwise be subject to the provisions of chapter 120.
19 However, the relocation of a main office that has not been in
20 operation for at least 24 months will be published in the
21 Florida Administrative Weekly. Upon the filing of a relocation
22 application and a nonrefundable filing fee, the department
23 shall make an investigation to determine substantial
24 compliance by the financial institution with applicable law
25 governing its operations. Additional investments in land,
26 buildings, leases, and leasehold improvements resulting from
27 such relocation must comply with the limitations imposed by s.
28 658.67(7)(a). A main office may not be moved outside this
29 state unless expressly authorized by the financial
30 institutions codes or by federal law.

1 (c) A relocation application filed by a strong,
2 well-managed state bank or trust company that is not denied
3 within 10 working days after receipt of the application is
4 considered approved unless the department notifies the
5 financial institution in writing that the application was not
6 complete when received.

7 (d) In addition to the application required by
8 paragraph (a), a financial institution whose main office in
9 this state has been in operation less than 24 months must
10 provide evidence that the criteria of s. 658.21(1) will still
11 be met.

12 (e) With 30 days' prior written notice, an established
13 branch office may be consolidated with another established
14 branch office when the two offices are located within a 1-mile
15 radius of one another. This written notice must include
16 information the department prescribes by rule.

17 (f) A branch office may be closed with 30 days' prior
18 written notice to the department. This written notice must
19 include information the department prescribes by rule. An
20 office in this state which has been in operation for at least
21 48 months may be relocated within this state upon 30 days'
22 prior written notification to the department. An office in
23 this state which has been open for less than 48 months may be
24 relocated within this state with prior written approval of the
25 department, if the relocation will not create an unsafe and
26 unsound condition. Additional investments in land, buildings,
27 leases, and leasehold improvements resulting from such
28 relocation shall comply with the limitations imposed by s.
29 658.67(7)(a). The location of an office may not be moved
30 beyond the limits of the county or counties in which the bank
31 or trust company maintains authorized bank or trust company

~~1 offices and may not be moved outside this state unless
2 expressly authorized by the financial institutions codes or by
3 federal law.~~

~~4 (b) The redesignation of a main office and a branch
5 office within this state may be made with prior written
6 notification to the department. However, the redesignation of
7 the main office during the bank or trust company's first 18
8 months of operation requires the prior written approval of the
9 department.~~

10 Section 9. Subsection (6) of section 658.295, Florida
11 Statutes, 1996 Supplement, is amended to read:

12 658.295 Interstate banking.--

13 (6) PERMITTED ACQUISITIONS.--

14 (a) Except as otherwise expressly permitted by s. 1841
15 of the Bank Holding Company Act, no bank holding company may
16 acquire a Florida bank holding company or a Florida bank
17 without the prior approval of the department.

18 (b) Notwithstanding paragraph (a), prior department
19 approval is not required and the standards for approval in
20 subsection (8) shall be waived by the department if the
21 acquisition is made:

22 1. In a transaction arranged by the department or
23 another bank regulatory agency to prevent insolvency or the
24 appointment of a liquidator or receiver of the acquired bank;
25 or

26 2. In a transaction in which a bank forms its own bank
27 holding company, if the ownership rights of the former bank
28 shareholders are substantially similar to those of the
29 shareholders of the new bank holding company.

30 (c) The prohibition in paragraph (a) does not apply if
31 the acquisition is made solely for the purpose of facilitating

1 an acquisition of a successor institution as defined in s.
2 658.40(4).

3 (d) Notwithstanding paragraph (a), to the extent
4 prohibited or preempted by federal law, or to the extent the
5 determination of compliance with the conditions imposed in
6 subsection (8) duplicates a determination made or to be made
7 by the responsible federal regulatory agency as part of the
8 federal approval process, prior department approval of any
9 application filed by an out-of-state bank or out-of-state bank
10 holding company to acquire a Florida bank or a Florida bank
11 holding company is not required when such Florida bank or all
12 bank subsidiaries of such Florida bank holding company are
13 national banks.

14 ~~(e) In a transaction for which the department's~~
15 ~~approval is not required under this section, the parties shall~~
16 ~~deliver written notice to the department at least 15 days~~
17 ~~before the effective date of the acquisition, unless a shorter~~
18 ~~period of notice is required under applicable federal law.~~

19 Section 10. Subsection (14) of section 658.2953,
20 Florida Statutes, 1996 Supplement, is amended to read:

21 658.2953 Interstate branching.--

22 (14) ADDITIONAL BRANCHES; POWERS.--

23 (a) An out-of-state bank or bank holding company that
24 has acquired a bank in this state pursuant to s. 658.295, or
25 by interstate merger pursuant to this section, may establish
26 an additional branch or additional branches in this state to
27 the same extent that any Florida bank may establish a branch
28 or branches in this state.

29 ~~(b) An out-of-state bank desiring to establish and~~
30 ~~maintain a branch in this state pursuant to this section shall~~
31 ~~provide written notice of the proposed transaction to the~~

~~1 department within 15 days after the date on which the bank
2 applies to the responsible federal bank regulatory agency for
3 approval to establish the branch. The filing of such notice
4 shall be accompanied by the filing fee pursuant to s. 658.73.~~

5 (b)(e) An out-of-state bank may conduct only those
6 activities at its Florida branch or branches that are
7 authorized under the laws of this state or of the United
8 States.

9 Section 11. Subsections (2) and (3) of section 658.73,
10 Florida Statutes, 1996 Supplement, are amended to read:

11 658.73 Fees and assessments.--

12 (2) Applications filed with the department shall be
13 accompanied by payment of the following nonrefundable fees:

14 (a) Fifteen thousand dollars for each application for
15 authority to organize a new state bank or state trust company.

16 (b) Two thousand five hundred dollars for each
17 application by an existing bank or association for trust
18 powers.

19 (c) Seven thousand five hundred dollars for each
20 application for authority to acquire a controlling interest in
21 a state bank or state trust company; however, if more than one
22 bank or trust company is being acquired in any such
23 application, the fee shall be increased by \$3,500 for each
24 additional bank or trust company. However, in no event may the
25 fee be in excess of fifteen thousand dollars.

26 (d) Seven thousand five hundred dollars for each
27 application for conversion of a national bank to a state bank.

28 (e) Seven hundred fifty ~~Two thousand five hundred~~
29 dollars for each application to establish a branch of a
30 strong, well-managed state bank, ~~an out-of-state bank,~~ or a
31 state trust company as defined in s. 658.26. One thousand five

1 hundred dollars for each application to establish a branch by
2 all other state banks or trust companies.

3 (f) One thousand five hundred dollars for each
4 application for authority to establish a trust service office
5 of a state trust company or of a trust department of a state
6 bank or association, and a like amount for each application by
7 a bank or association with trust powers which is not a state
8 bank or state association for authority to establish a trust
9 service office at a state bank, state association, or state
10 credit union.

11 (g) Seven thousand five hundred dollars for each
12 application for a merger or consolidation; however, if three
13 or more banks or trust companies are involved in any such
14 application, the fee shall be \$3,500 for each involved
15 institution. However, in no event may the fee be in excess of
16 fifteen thousand dollars.

17 (h) Two thousand five hundred dollars to establish a
18 successor institution.

19 (i) Two hundred fifty dollars for each application by
20 a strong, well-managed state bank or trust company as defined
21 in s. 658.26 to relocate the main office of a state bank or a
22 state trust company. All other state banks or trust companies
23 shall pay a fee of seven hundred fifty dollars for each
24 application for relocation of the bank's or trust company's
25 main office.

26 (j) Two thousand five hundred dollars for each
27 application for the purchase of assets and the assumption of
28 liabilities. If, as a result of the application the applicant
29 will establish more than 10 branch offices within this state,
30 an application fee of one hundred dollars for each additional
31 branch office is required. ~~Seven-thousand-five-hundred-dollars~~

1 ~~for each application by an out-of-state bank holding company~~
2 ~~to make an acquisition pursuant to s. 658.295.~~

3 (3)(a) If, as a result of any application filed with
4 the department, the department determines that an examination
5 is necessary to assess the financial condition of any
6 financial institution, the applying financial institution
7 shall pay to the department a nonrefundable examination fee,
8 pursuant to s. 655.045(1).

9 (b) The department may refund up to one-half of the
10 fee submitted with an application if the application is
11 withdrawn by the applicant prior to publication in the Florida
12 Administrative Weekly.

13 (4)(f) The amounts of all fees and assessments
14 provided for in this section shall be deemed to be maximum
15 amounts; and the department has the authority to establish, by
16 rule, and from time to time to change, fees and assessments in
17 amounts less than the maximum amounts stated in this section.

18 Section 12. Section 663.06, Florida Statutes, is
19 amended to read:

20 663.06 Licenses; permissible activities.--

21 (1) An international banking corporation licensed to
22 operate an office in this state may engage in the business
23 authorized by this part at the office specified in such
24 license for an indefinite ~~such period as is provided in~~
25 ~~subsection (2) or subsection (3)~~. An international banking
26 corporation may operate more than one international bank
27 agency, international branch, or international representative
28 office, each at a different place of business, provided that
29 each office shall be separately licensed. No license to
30 operate an international bank office is transferable or
31 assignable. However, the location of an international bank

1 office may be changed after notification of the department.
2 Every such license shall be, at all times, conspicuously
3 displayed in the place of business specified therein.
4 ~~(2) Except as provided in subsection (3), a license to~~
5 ~~operate an international bank agency, international branch,~~
6 ~~international representative office, or international~~
7 ~~administrative office shall be valid for a period of 1 year,~~
8 ~~unless such license is suspended or revoked sooner pursuant to~~
9 ~~subsection (5). The license may be renewed annually upon~~
10 ~~application to the department, upon forms available for that~~
11 ~~purpose, within 30 days prior to the expiration of the~~
12 ~~license. The license may be renewed by the department, in its~~
13 ~~discretion, upon its determination, with or without~~
14 ~~examination, that the international banking corporation is in~~
15 ~~a safe and sound condition and has complied with all~~
16 ~~requirements of law with respect to the international bank~~
17 ~~agency, international branch, international representative~~
18 ~~office, or international administrative office, that the~~
19 ~~renewal of the license will not be detrimental to the public~~
20 ~~interest, and that the renewal has been duly authorized by~~
21 ~~proper corporate action. Each application for renewal of a~~
22 ~~license shall be accompanied by the fee prescribed in s.~~
23 ~~663.12.~~
24 ~~(3) Notwithstanding the provisions of subsection (2),~~
25 ~~the department may, in its discretion, issue a license to an~~
26 ~~international banking corporation for an indefinite period if~~
27 ~~it finds that the international banking corporation has~~
28 ~~satisfied the requirements for renewal of its license and has~~
29 ~~held a license for the previous 3 years. However, an~~
30 ~~indefinite license to operate an international bank agency or~~
31 ~~international branch may not be issued to an international~~

1 ~~banking corporation unless it has held one or the other of~~
2 ~~such licenses for at least 3 years. A license issued for an~~
3 ~~indefinite period shall be valid without renewal unless~~
4 ~~suspended or revoked pursuant to subsection (5). An~~
5 ~~international banking corporation that is granted a license~~
6 ~~for an indefinite period shall file with the department such~~
7 ~~annual financial statements as the department may require and~~
8 ~~shall pay an annual fee equal to the annual renewal fee for~~
9 ~~each license held by the international banking corporation.~~
10 ~~Such annual fee shall be paid not later than January 31 of~~
11 ~~each year.~~

12 (2)(4) An international banking corporation which
13 proposes to terminate the operations of its international bank
14 agency, international branch, international representative
15 office, or international administrative office shall surrender
16 its license to the department and comply with such procedures
17 as the department may prescribe by rule.

18 (3)(5) An international bank agency, international
19 branch, international representative office, or international
20 administrative office license may be suspended or revoked by
21 the department, with or without examination, upon its
22 determination that the international banking corporation does
23 not meet all requirements for original licensing ~~or any of the~~
24 ~~criteria established by subsection (2) for renewal of a~~
25 ~~license.~~ The department may by rule prescribe additional
26 conditions or standards under which the license of an
27 international bank agency, international branch, international
28 representative office, or international administrative office
29 may be suspended or revoked.

30 (4)(6) In the event any such license is surrendered by
31 the international banking corporation or is suspended or

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1 revoked by the department, ~~or the renewal thereof is refused~~
2 ~~by the department~~; all rights and privileges of the
3 international banking corporation to transact the business
4 thus licensed shall cease. The department shall, by rule,
5 prescribe procedures for the surrender of a license and for
6 the orderly cessation of business by an international banking
7 corporation in a manner which is not harmful to the interests
8 of its customers or of the public.

9 ~~(5)(7)~~ In addition to the activities in which it is
10 expressly permitted to engage:

11 (a) An international branch may engage in any
12 activities permissible for an international bank agency.

13 (b) An international bank agency may engage in any
14 activities permissible for an international administrative
15 office.

16 (c) An international administrative office may engage
17 in any activities permissible for an international
18 representative office.

19 Section 13. Paragraph (e) of subsection (1) and
20 subsection (2) of section 663.12, Florida Statutes, are
21 amended to read:

22 663.12 Fees; assessments; fines.--

23 (1) Each application for a license under the
24 provisions of this part shall be accompanied by a
25 nonrefundable filing fee payable to the department in the
26 following amount:

27 (e) Two thousand dollars annually for operating an
28 international representative office or international
29 administrative office ~~for the annual renewal of an existing~~
30 license.

1 (2) Each international bank agency, international
2 branch and state-chartered investment company shall pay to the
3 department a semiannual assessment, payable on or before
4 January 31 and July 31 of each year, in an amount determined
5 by rule by the department and calculated in a manner so as to
6 recover the costs of the department incurred in connection
7 with the supervision of international banking activities
8 licensed under this part. These rules shall provide for
9 uniform rates of assessment for all licenses of the same type,
10 shall provide for declining rates of assessment in relation to
11 the total assets of the licensee held in the state, but shall
12 not, in any event, provide for rates of assessment which
13 exceed the rate applicable to state banks pursuant to s.
14 658.73, unless the rate of assessment would result in a
15 semiannual assessment of less than \$1,000. For the purposes of
16 this subsection, the total assets of an international bank
17 agency, international branch, or state-chartered investment
18 company shall include amounts due the agency or branch or
19 state investment company from other offices, branches, or
20 subsidiaries of the international banking corporations or
21 other corporations of which the agency, branch, or
22 state-chartered investment company is a part or from entities
23 related to that international banking corporation.

24 Section 14. Sections 667.001, 667.002, 667.003,
25 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010,
26 667.011, 667.012, and 667.013, Florida Statutes, are created
27 to read:

28 667.001 Short Title.--Sections 667.001-667.013 may be
29 cited as the "Florida Savings Bank Act."

30 667.002 Definitions.--As used in this chapter, the
31 term:

1 (1) "Capital stock" means the aggregate of shares of
2 nonwithdrawable capital issued by a capital stock association,
3 but does not include nonwithdrawable capital represented by
4 capital certificates.

5 (2) "Dwelling unit" means a single, unified
6 combination of rooms that is designed for residential use by
7 one family in a multiple-dwelling-unit structure and that is
8 not home property.

9 (3) "Earnings" means that part of the sources
10 available for payment of earnings of a savings bank which is
11 declared payable on savings accounts from time to time by the
12 board of directors, and is the cost of savings money to the
13 savings bank. Earnings may also be referred to as "interest."

14 (4) "Home property" means real estate on which there
15 is located, or will be located pursuant to a real estate loan,
16 either a structure designed for residential use by one family
17 or a single condominium unit, including common elements
18 pertinent thereto, designed for residential use by one family
19 in a multiple-dwelling-unit structure or complex and includes
20 fixtures and home furnishings and equipment.

21 (5) "Liquid assets" means:

22 (a) Cash on hand;

23 (b) Cash on deposit in federal home loan banks,
24 federal reserve banks, and state banks performing similar
25 reserve functions which is withdrawable upon not more than 30
26 days' notice and which is not pledged as security for
27 indebtedness, except that any deposits in a financial
28 depository institution under the control of or in the
29 possession of any supervisory authority may not be considered
30 as liquid assets;

1 (c) Obligations of, or obligations which are fully
2 guaranteed as to principal and interest by, the United States
3 or this state; and

4 (d) Other assets approved by the department which are
5 accepted as liquid assets for federally insured savings banks
6 by the appropriate federal regulatory agency.

7 (6) "Net income" means gross revenues for an
8 accounting period less all expenses paid or incurred, taxes,
9 and losses sustained which have not been charged to reserves
10 pursuant to the provisions of this chapter.

11 (7) "Primarily residential property" means real estate
12 on which there is located, or will be located pursuant to a
13 real estate loan, any of the following:

14 (a) A structure or structures designed or used
15 primarily for residential rather than nonresidential purposes
16 and consisting of more than one dwelling unit.

17 (b) A structure or structures designed or used
18 primarily for residential rather than nonresidential purposes
19 for students, residents and persons under care, employees, or
20 members of the staff of an educational, health, or welfare
21 institution or facility.

22 (c) A structure or structures that are used in part
23 for residential purposes for not more than one family and in
24 part for business purposes, provided that the residential use
25 of the structure or structures must be substantial and
26 permanent, not merely transitory.

27 (8) "Real estate loan" means any loan or other
28 obligation secured by a lien on real estate in any state held
29 in fee or in a leasehold extending or renewable automatically
30 for a period of at least 15 years beyond the date scheduled
31 for the final principal payment of the loan or obligation, or

1 any transaction out of which a lien or claim is created
2 against the real estate, including among other things the
3 purchase of the real estate in fee by a savings bank and the
4 concurrent or immediate sale thereof on installment contract.

5 (9) "Savings account" means that part of the savings
6 liability of the savings bank which is credited to the account
7 of the holder thereof. A savings account also may be referred
8 to as a "savings deposit."

9 (10) "Savings bank" means a capital stock or mutual
10 savings bank subject to the provisions of this chapter.

11 (11) "Savings liability" means the aggregate amount of
12 savings accounts of depositors, including earnings credited to
13 the accounts, less redemptions and withdrawals.

14 (12) "State savings bank" means any savings bank that
15 has a subsisting savings bank charter issued pursuant to the
16 provisions of the financial institutions codes.

17 (13) "Stockholder" means the holder of one or more
18 shares of any class of capital stock of a capital stock
19 savings bank organized or operating pursuant to the provisions
20 of this chapter.

21 667.003 Applicability of chapter 658.--Any state
22 savings bank is subject to all the provisions and entitled to
23 all the privileges of the financial institutions codes except
24 when it may appear, from the context or otherwise, that the
25 provisions are clearly applicable only to banks or trust
26 companies organized under the laws of this state or the United
27 States. Without limiting the foregoing general provisions, it
28 is the intent of the Legislature that the following provisions
29 are applicable to a savings bank to the same extent as if the
30 savings bank were a bank operating thereunder:

31 (1) Section 658.12, relating to definitions.

1 (2) Section 658.16, relating to the creation of a
2 banking or trust corporation.

3 (3) Section 658.19, relating to application for
4 authority to organize a bank or a trust company.

5 (4) Section 658.20, relating to investigation by
6 department.

7 (5) Section 658.21, relating to approval of
8 application, findings required.

9 (6) Section 658.22, relating to coordination with
10 federal agencies.

11 (7) Section 658.23, relating to submission of articles
12 of incorporation; contents; form; approval; filing;
13 commencement of corporate existence; bylaws.

14 (8) Section 658.235, relating to subscriptions for
15 stock, approval of major shareholders.

16 (9) Section 658.24, relating to organizational
17 procedures.

18 (10) Section 658.25, relating to opening for business.

19 (11) Section 658.26, relating to places of transacting
20 business; branches; facilities.

21 (12) Section 658.295, relating to interstate banking.

22 (13) Section 658.2953, relating to interstate
23 branching.

24 (14) Section 658.30, relating to the application of
25 the Florida Business Corporation Act.

26 (15) Section 658.32, relating to annual meetings.

27 (16) Section 658.33, relating to directors, number,
28 qualifications; officers.

29 (17) Section 658.34, relating to shares of stock.

30 (18) Section 658.35, relating to stock options;
31 warrants.

- 1 (19) Section 658.36, relating to changes in capital.
2 (20) Section 658.37, relating to dividends and
3 surplus.
4 (21) Section 658.38, relating to deposit insurance.
5 (22) Section 658.39, relating to stockholders;
6 examination of records.
7 (23) Section 658.40, relating to definitions for
8 merger and consolidation.
9 (24) Section 658.41, relating to merger, resulting
0 state or national bank.
1 (25) Section 658.42, relating to plan of merger and
!2 merger agreement.
13 (26) Section 658.43, relating to approval by
14 department, valuation of assets; emergency action.
15 (27) Section 658.44, relating to approval by
16 stockholders; rights of dissenters; preemptive rights.
17 (28) Section 658.45, relating to certification of
18 merger and effective date; effect on charters and powers.
19 (29) Section 658.48, relating to loans.
20 (30) Section 658.49, relating to loans by banks not
21 exceeding \$50,000.
22 (31) Section 658.491, relating to commercial loans by
23 financial institutions.
24 (32) Section 658.51, relating to banks authorized to
25 make commodity loans.
26 (33) Section 658.53, relating to borrowings, limits of
27 indebtedness.
28 (34) Section 658.60, relating to depositories of
29 public moneys and pledge of assets.
30 (35) Section 658.65, relating to remote financial
31 service units.

- 1 (36) Section 658.67, relating to investment powers and
2 limitations.
- 3 (37) Section 658.73, relating to fees and assessments.
- 4 (38) Section 658.79, relating to taking possession of
5 insolvent state banks or trust companies.
- 6 (39) Section 658.80, relating to appointment of
7 receiver or liquidator.
- 8 (40) Section 658.81, relating to department action;
9 notice and court confirmation.
- 10 (41) Section 658.82, relating to receiver; powers and
11 duties.
- 12 (42) Section 658.83, relating to liquidator; powers
13 and duties.
- 14 (43) Section 658.84, relating to transfers by bank and
15 other acts in contemplation of insolvency.
- 16 (44) Section 658.90, relating to receivers or
17 liquidators under supervision of department.
- 18 (45) Section 658.94, relating to prima facie evidence.
- 19 (46) Section 658.95, relating to voluntary
20 liquidation.
- 21 (47) Section 658.96, relating to procedure in
22 voluntary liquidation.
- 23 667.004 Name.--The name of every savings bank must
24 include the words "savings bank." The use of the words
25 "National," "Federal," "United States," "insured," or
26 "guaranteed," separately or in any combination thereof with
27 other words or syllables, is prohibited as part of the
28 corporate name of a savings bank.
- 29 667.005 Reorganization, merger, or consolidation with
30 a foreign savings bank.--
- 31

1 (1) A savings bank has the power to reorganize or
2 merge or consolidate with a foreign savings bank, as defined
3 in s. 667.013, subject to the approval of the department.

4 (2) If the resulting or surviving savings bank is to
5 be a foreign savings bank, the department shall not approve
6 the proposed transaction unless:

7 (a) The laws of the state in which the foreign savings
8 bank has its principal place of business permit savings banks
9 in that state to reorganize, merge, or consolidate with
10 Florida savings banks in transactions in which the resulting
11 or surviving savings bank is a Florida savings bank; and

12 (b) The constituent Florida savings bank has been in
13 existence and continuously operating for more than 2 years.

14 (3) A proposed transaction in which the resulting or
15 surviving savings bank is to be a foreign savings bank is
16 subject to any conditions, restrictions, and requirements that
17 would apply in the state where the foreign savings bank has
18 its principal place of business if the resulting or surviving
19 savings bank were to be a Florida savings bank, which
20 conditions, restrictions, and requirements would not apply to
21 a reorganization, merger, or consolidation of savings banks
22 all of which are located in that state.

23 (4) A foreign savings bank that is the resulting or
24 surviving savings bank in a reorganization, merger, or
25 consolidation with a Florida savings bank is not considered a
26 Florida savings bank.

27 (5) Each application for reorganization, merger, or
28 consolidation with a foreign savings bank shall be accompanied
29 by a nonrefundable filing fee as provided in s. 658.73(2)(g).
30
31

1 667.006 Conversion of state or federal mutual savings
2 bank or state or federal mutual association to capital stock
3 savings bank.--

4 (1) CONVERSION INTO CAPITAL STOCK SAVINGS BANK.--Any
5 state or federal mutual savings bank or state or federal
6 mutual association may apply to the department for permission
7 to convert itself into a capital stock savings bank operated
8 under the provisions of this chapter in accordance with the
9 following procedures:

10 (a) The board of directors shall approve a plan of
11 conversion by resolution adopted by a majority vote of all the
12 directors. The plan must include, among other terms:

13 1. Financial statements of the savings bank as of the
14 last day of the month preceding adoption of the plan.

15 2. Such financial data as may be required to determine
16 compliance with applicable regulatory requirements respecting
17 financial condition.

18 3. A provision that each savings account holder of the
19 mutual savings bank will receive a withdrawable account in the
20 capital stock savings bank equal in amount to his withdrawable
21 account in the mutual savings bank.

22 4. A provision that each member of record will be
23 entitled to receive rights to purchase voting common stock.

24 5. Pro forma financial statements of the savings bank
25 as a capital stock savings bank, which shall include data
26 required to determine compliance with applicable regulatory
27 requirements respecting financial condition.

28 6. With particularity, the business purpose to be
29 accomplished by the conversion.

30 7. Such other information as the department may, by
31 rule, require.

1 (b) The plan of conversion shall be executed by a
2 majority of the board of directors and submitted to the
3 department for approval prior to any vote on conversion by the
4 members.

5 (c) The department may approve or disapprove the plan,
6 but it may not approve the plan unless it finds that the
7 savings bank will comply sufficiently with the requirements of
8 the financial institutions codes after conversion to entitle
9 it to become a savings bank operating under the financial
10 institutions codes and the rules of the department. The
11 department may deny any application from any federal savings
12 bank that is subject to any cease and desist order or other
13 supervisory restriction or order imposed by any state or the
14 federal supervisory authority, or insurer, or guarantor or
15 that has been convicted of, or pled guilty or nolo contendere
16 to, a violation of s. 655.50, relating to the Florida Control
17 of Money Laundering in Financial Institutions Act, of chapter
18 896, relating to offenses related to financial transactions,
19 or of any similar state or federal law.

20 (d) If the department approves the plan of conversion,
21 the question of the conversion may be submitted to the members
22 at a meeting of voting members called to consider the action.
23 A vote of 51 percent or more of the total number of votes
24 eligible to be cast is required for approval, unless federal
25 law permits a lesser percentage of votes for a federal mutual
26 savings bank to convert, in which case that percentage
27 controls. Notice of the meeting, giving the time, place, and
28 purpose thereof, together with a proxy statement and proxy
29 form covering all matters to be brought before the meeting,
30 must be mailed at least 30 days prior thereto to the

1 department for review and to each voting member at his or her
2 last address as shown on the books of the savings bank.

3 (2) MINUTES OF MEETING.--Copies of the minutes of the
4 meeting of members, verified by the affidavit of the secretary
5 or assistant secretary of the savings bank, shall be filed
6 with the department and with the appropriate federal
7 regulatory agency, within a reasonable time after the meeting.
8 When so filed, the verified copies of the minutes are
9 presumptive evidence of the holding of the meeting and of the
10 action taken.

11 (3) FILING OF ARTICLES OF INCORPORATION AND COMMITMENT
12 FOR INSURANCE OF ACCOUNTS.--The directors of the savings bank
13 shall have executed and filed with the department proposed
14 articles of incorporation as provided for in s. 658.23,
15 together with the application for conversion and a firm
16 commitment for, or evidence of, insurance of deposits and
17 other accounts of a withdrawable type. The articles must
18 contain a statement that the savings bank resulted from the
19 conversion of a state or federal mutual savings bank to a
20 capital stock savings bank. Approval by the department shall
21 be affixed to the articles of incorporation. A copy of the
22 articles of incorporation must be filed with the Department of
23 State and one copy of the articles of incorporation and the
24 certificate of incorporation must be returned to the savings
25 bank. The savings bank ceases to be a mutual savings bank at
26 the time and on the date specified in the approved articles of
27 incorporation.

28 (4) SUCCESSION.--Upon conversion of a mutual savings
29 bank, the legal existence of the savings bank does not
30 terminate, but the capital stock savings bank is a
31 continuation of the entity of the mutual savings bank, and all

1 (d) Any state or federal savings bank to acquire the
2 assets of and assume the liabilities of the failing savings
3 bank.

4 667.008 Acquisition of assets of or control over a
5 savings bank.--

6 (1)(a) In any case in which a person or group of
7 persons proposes to purchase or acquire voting common stock of
8 any capital stock savings bank, which purchase or acquisition
9 would cause the person or group of persons to have control of
0 that savings bank, the person or group of persons must first
1 make application to the department for a certificate of
2 approval of the purchase or acquisition.

13 (b) An application for control must be in such form
14 and request such information as the department, by rule,
15 requires.

16 (c) The application for control must be accompanied by
17 a nonrefundable filing fee of \$7,500; however, if more than
18 one savings bank is being acquired in any application, the fee
19 must be increased by \$3,000 for each additional savings bank.

20 (2) The department shall issue the certificate of
21 approval only after it has made an investigation and
22 determined that:

23 (a) The proposed new owner or owners of voting capital
24 stock are qualified by character, experience, and financial
25 responsibility to control the savings bank in a legal and
26 proper manner and none of the proposed new owners have been
27 convicted of, or pled guilty or nolo contendere to, a
28 violation of s. 655.50, relating to the Florida Control of
29 Money Laundering in Financial Institutions Act, of chapter
30 896, relating to offenses related to financial transactions,
31 or of any similar state or federal law.

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1 (b) The interests of the public generally will not be
2 jeopardized by the proposed purchase or acquisition of voting
3 capital stock.

4 (3) This section does not apply to the acquisition of:

5 (a) Directors' voting proxies acquired in the normal
6 course of business as a result of proxy solicitation in
7 conjunction with a stockholders' meeting;

8 (b) Stock in a fiduciary capacity unless the acquiring
9 person has sole discretionary authority to exercise voting
10 rights with respect thereto;

11 (c) Stock acquired in securing or collecting a debt
12 contracted in good faith until 2 years after the date of
13 acquisition;

14 (d) Stock acquired by an underwriter in good faith and
15 without any intent to evade the purpose of this section if the
16 shares are held only for such reasonable period of time as
17 will permit the sale thereof; or

18 (e) Control of a savings bank by a unitary savings
19 bank holding company if the person or persons who control the
20 holding company are the same person or persons who control the
21 savings bank.

22 (4) For purposes of this section, a person or group of
23 persons has control of a savings bank if the person or group
24 of persons:

25 (a) Directly or indirectly, or acting in concert with
26 one or more persons or through one or more subsidiaries, owns,
27 controls, holds the power to vote, or holds proxies
28 representing more than 25 percent of the voting common stock
29 of the savings bank.

30 (b) Controls in any manner the election of a majority
31 of the directors of the savings bank.

1 (c) Exercises a controlling influence over the
2 management or policies of the savings bank.

3 (d) Owns, controls, or has power to vote 10 percent or
4 more of any class of voting securities of the savings bank, if
5 no other person or group of persons owns, controls, or has
6 power to vote a greater proportion of that class of voting
7 securities.

8
9 In any case in which a proposed purchase or acquisition of
10 voting securities of a savings bank would give rise to the
11 presumption created under paragraph (d), the person or group
12 of persons who propose to purchase or acquire the voting
13 securities must first give written notice of the proposal to
14 the department. The notice may present information that the
15 proposed purchase or acquisition will not result in control.
16 The department shall afford the person seeking to rebut the
17 presumption an opportunity to present views in writing or
18 orally before its designated representatives at an informal
19 conference.

20 (5)(a) A foreign savings bank, as defined in s.
21 665.1001, whether controlled directly or indirectly by another
22 business organization, may acquire a Florida savings bank,
23 subject to approval by the department. The department shall
24 not approve the proposed acquisition unless:

25 1. The laws of the state in which the foreign savings
26 bank has its principal place of business permit a savings bank
27 in that state to be acquired by a Florida savings bank; and

28 2. The Florida savings bank that is to be acquired has
29 been in existence and continuously operating for more than 2
30 years.

1 (b) The proposed acquisition is subject to any
2 conditions, restrictions, and requirements that would apply in
3 the state where the foreign savings bank has its principal
4 place of business if the foreign savings bank were to be
5 acquired by a Florida savings bank, which conditions,
6 restrictions, and requirements would not apply to the
7 acquisition by the foreign savings bank of another savings
8 bank in that state.

9 (c) This subsection does not apply to any merger by a
10 savings bank subject to s. 123 of Pub. L. No. 97-320.

11 667.009 Powers of savings bank generally.--Every
12 savings bank incorporated pursuant to or operating under the
13 provisions of the financial institutions codes has all the
14 powers enumerated, authorized, and permitted by this chapter
15 and such other rights, privileges, and powers as may be
16 incidental to or reasonably necessary or appropriate for the
17 accomplishment of the objectives and purposes of the savings
18 bank. Among others, and except as otherwise limited by the
19 provisions of the financial institutions codes, every savings
20 bank has the following powers:

21 (1) PROPERTY TRANSFERS.--To acquire, hold, sell,
22 dispose of, and convey real and personal estate consistent
23 with its objects and powers; to mortgage, pledge, or lease any
24 real or personal estate; and to take property by gifts,
25 devise, or bequest.

26 (2) SUBORDINATED DEBT.--To issue and sell, directly or
27 through underwriters, subordinated debt that represents
28 nonwithdrawable capital contributions and constitutes part of
29 the equity capital of the savings bank. The debt has no voting
30 rights; is subordinate to all savings accounts, debt
31 obligations, and claims of creditors of the savings bank; and

1 constitutes a claim in liquidation against any other equity
2 capital accounts remaining after the payment in full of all
3 savings accounts, debt obligations, and claims of creditors.
4 The subordinated debt is entitled to the payment of earnings
5 prior to the allocation of any income to surplus or other
6 equity capital accounts of the savings bank and may be issued
7 with a fixed rate of earnings or with a prior claim to
8 distribution of a specified percentage of any net income
9 remaining after required allocations to reserves, or a
10 combination thereof. Losses may be charged against
11 subordinated debt only after other equity capital accounts
12 have been exhausted.

13 (3) SALE OF LOANS.--To sell with or without recourse
14 any loan, including any participating interests therein.

15 (4) SERVICING.--To service loans and investments for
16 others.

17 (5) AGENT.--To act as agent or escrowee for others in
18 any transaction incidental to the operation of its business.

19 (6) LIMITED TRUSTEESHIP.--To act, and receive
20 compensation therefor, as trustee of any trust created or
21 organized in the United States and forming a part of a stock
22 bonus, pension, or profit-sharing plan that qualifies or is
23 qualified for specific tax treatment under s. 401 of the
24 Internal Revenue Code of 1954, as amended, and to act as
25 trustee or custodian of an individual retirement account
26 within the meaning of s. 408 of such code if the funds of the
27 trust or account are invested only in savings accounts of the
28 savings bank or in obligations or securities issued by the
29 savings bank. All funds held in a fiduciary capacity by any
30 savings bank under the authority of this subsection may be
31 commingled and consolidated for appropriate purposes of

1 investment, provided that records reflecting each separate
2 beneficial interest are maintained by the fiduciary unless the
3 responsibility is lawfully assumed by another appropriate
4 party.

5 (7) SCHOOL SAVINGS.--To contract with the proper
6 authorities of any public or nonpublic elementary or secondary
7 school or institution of higher learning, or any public or
8 charitable institution caring for minors, for the
9 participation and implementation by the savings bank in any
10 school or institutional thrift or savings plan, and to accept
11 savings accounts at such a school or institution, either by
12 its own collector or by any representative of the school or
13 institution that becomes the agent of the savings bank for
14 that purpose.

15 (8) PAYROLL SAVINGS.--To contract with any employer
16 with respect to the solicitation, collection, and receipt of
17 savings by payroll deduction to be credited to a designated
18 account of an employee who voluntarily may participate or with
19 respect to the direct deposit of wages or salary paid by an
20 employer to the account of an employee in a financial
21 depository institution by electronic or other medium upon
22 authorization in writing by the employee and his or her
23 designation of the savings bank or other financial depository
24 institution as the recipient of the deposits.

25 (9) DRAFTS.--To issue drafts and similar instruments
26 drawn on the savings bank to aid in effecting withdrawals and
27 for other purposes of the savings bank.

28 677.010 Loans.--On an annual average, based on monthly
29 computations, a savings bank must have at least 50 percent of
30 its assets, other than liquid assets, invested in either real
31 estate loans or interests therein on home property or

1 primarily residential property and not more than 30 percent
2 invested in loans for agricultural, business, corporate, or
3 commercial purposes.

4 667.011 Loan Expenses.--Each savings bank may require
5 borrowers to pay all reasonable expenses incurred in
6 connection with the making, closing, disbursing, extending,
7 readjusting, or renewing of real estate loans. Without
8 limiting the generality of the foregoing, the expenses may
9 include appraisal, attorney, abstract, recording, and
10 registration fees; title examination; title insurance;
11 mortgage loan insurance; credit report; survey; drawing of
12 papers; escrow services; loan closing costs; and taxes or
13 charges imposed upon or in connection with the making and
14 recording of any loan. Each savings bank also may require
15 borrowers to pay the cost of all other necessary and
16 incidental services rendered by the savings bank or by others
17 in connection with real estate and other loans in such
18 reasonable amounts as may be fixed by the board of directors.
19 Without limiting the generality of the foregoing, the costs
20 may include the costs of services of inspectors, engineers,
21 and architects. The initial charges may be collected by the
22 savings bank from the borrower and paid to any person,
23 including any director, officer, or employee of the savings
24 bank rendering the services, or paid directly by the borrower.
25 In lieu of the initial charges to cover the expenses and
26 costs, a savings bank may make a reasonable charge, part or
27 all of which may be retained by the savings bank that renders
28 the service or part or all of which may be paid to others who
29 render the services. The fees and charges authorized by this
30 chapter are in addition to interest authorized by law and are
31 not part of the interest collected or agreed to be paid on the

1 loans within the meaning of any law of this state which limits
2 the rate of interest that may be exacted in any transaction.
3 No director, officer, or employee of any savings bank may
4 receive any fee or other compensation of any kind in
5 connection with procuring any loan for a savings bank, except
6 for services actually rendered.

7 667.012 Dealing with successors in interest.--In the
8 case of any investment made by a savings bank in a real estate
9 loan, if the ownership of the real estate security or any part
10 thereof becomes vested in a person other than the party or
11 parties originally executing the security instruments, and if
12 there is not an agreement in writing to the contrary, a
13 savings bank may, without notice to the party or parties, deal
14 with the successor or successors in interest with reference to
15 a mortgage and the debt thereby secured in the same manner as
16 with the party or parties, and may forbear to sue or may
17 extend time for payment of or otherwise modify the terms of
18 the debt secured thereby, without discharging or in any way
19 affecting the original liability of the party or parties
20 thereunder or upon the debt thereby secured.

21 667.013 Foreign savings banks.--

22 (1) DEFINED.--As used in this section, the term
23 "foreign savings bank" means any domestic joint venture,
24 business trust, syndicate, firm, company, savings bank,
25 fiduciary, partnership, or corporation, and all other groups
26 or combinations, by whatever name called, actually engaged in
27 the business of a savings bank, the principal business office
28 of which is located outside the territorial limits of this
29 state.

30 (2) ACTION BY DEPARTMENT.--The department is
31 authorized, empowered, and directed to obtain an injunction or

1 to take any other action necessary to prevent any foreign
2 savings bank from unlawfully doing any business of a savings
3 bank in this state.

4 (3) ACTIVITIES NOT CONSIDERED TO BE DOING

5 BUSINESS.--For the purposes of this section and any other law
6 of this state prohibiting, limiting, or regulating the doing
7 of business in this state by foreign savings banks or foreign
8 corporations of any type, any federal savings bank the
9 principal office of which is located outside this state and
10 any foreign savings bank that is subject to state or federal
11 supervision, or both, which by law are subject to periodic
12 examination by such supervisory authority and to a requirement
13 of periodic audit, are not considered to be doing business in
14 this state by reason of engaging in any of the following
15 activities:

16 (a) The purchase, acquisition, holding, sale,
17 assignment, transfer, collecting, and enforcement of
18 obligations or any interest therein secured by real estate
19 mortgages or other instruments in the nature of a mortgage,
20 covering real property located in this state, or the
21 foreclosure of such instruments, or the acquisition of title
22 to such property by foreclosure, or otherwise, as a result of
23 default under such instruments, or the holding, protection,
24 rental, maintenance, and operation of the property so
25 acquired, or the disposition thereof, if the savings bank does
26 not hold, own, or operate such property for a period exceeding
27 5 years without securing the approval of the department.

28 (b) The advertising or solicitation of savings
29 accounts or the making of any representations with respect
30 thereto in this state through the medium of the mail, radio,
31 television, magazines, or newspapers or any other medium that

1 is published or circulated within this state, if the
2 advertising, solicitation, or the making of representations is
3 accurately descriptive of the facts.

4 Section 15. This act shall take effect October 1,
5 1997.

6 *****

7
8 SENATE SUMMARY

9 Provides changes to various definitions and regulatory
10 procedures in the financial institutions codes. Creates
11 the "Florida Savings Bank Act," establishing regulatory
12 requirements for the operation, reorganization,
13 consolidation, merger, conversion, acquisition, control,
14 loan standards, and loan expenses of savings banks in
15 this state. Authorizes the Department of Banking and
16 Finance to take action against certain foreign savings
17 banks.
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311-1576-97

A bill to be entitled

1 An act relating to the management and
2 regulation of financial institutions; amending
3 s. 280.02, F.S.; revising a definition;
4 amending s. 655.005, F.S.; revising
5 definitions; amending s. 655.0322, F.S.;
6 applying prohibited acts and practices
7 provisions to state or federal savings banks;
8 providing penalties; amending s. 655.045, F.S.;
9 deleting a report requirement; amending s.
10 655.41, F.S.; revising a definition; amending
11 s. 655.414, F.S.; requiring approval by the
12 Department of Banking and Finance for a
13 financial entity to acquire certain financial
14 entities; providing for a nonrefundable filing
15 fee; deleting a requirement to file a separate
16 application for each branch office; amending s.
17 658.21, F.S.; revising criteria for approval of
18 applications; amending s. 658.23, F.S.;
19 clarifying information required in articles of
20 incorporation; amending s. 658.26, F.S.;
21 providing for approval of a branch application
22 under certain circumstances; revising
23 provisions providing for relocation of certain
24 offices in this state; providing a definition;
25 amending s. 658.295, F.S.; revising certain
26 acquisition criteria; deleting an obsolete
27 provision; amending s. 658.2953, F.S.;
28 correcting a threshold date reference; deleting
29 certain requirements for notice of
30 establishment and maintenance of a branch in
31

1 this state by an out-of-state bank; revising
2 certain filing requirements and trust powers;
3 amending s. 658.73, F.S.; revising application
4 fee provisions; providing for partial refund
5 under certain circumstances; amending s.
6 663.06, F.S.; providing for indefinite
7 operation of an international banking
8 corporation; deleting temporary operation
9 provisions; amending s. 663.12, F.S.;
10 clarifying certain filing fee provisions;
11 creating ss. 667.001-667.013, F.S.; providing a
12 short title; providing definitions; providing
13 applicability; providing for a name; providing
14 for reorganization, merger, or consolidation;
15 providing for conversion of certain banks or
16 associations to capital stock savings banks;
17 providing requirements; imposing a fee;
18 providing powers and duties of the department
19 under certain circumstances; providing for
20 acquisition of assets or control of savings
21 banks; providing criteria and requirements;
22 specifying powers of savings banks; providing
23 for loans and loan expenses; providing for
24 dealing with successors in interest; providing
25 for foreign savings banks; amending s. 737.101,
26 F.S.; clarifying application of principal place
27 of administration provisions to certain trusts;
28 exempting certain financial institutions
29 resulting from an interstate merger transaction
30 from certain prohibitions; providing for future
31 repeal; repealing s. 658.295(6)(e), F.S.,

1 relating to certain notice of acquisitions;
2 providing effective dates.

3
4 Be It Enacted by the Legislature of the State of Florida:

5
6 Section 1. Effective July 1, 1997, subsection (16) of
7 section 280.02, Florida Statutes, 1996 Supplement, is amended
8 to read:

9 280.02 Definitions.--As used in this chapter, the
10 term:

11 (16) "Qualified public depository" means any bank,
12 savings bank, or savings association that:

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

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

20 (c) Has deposit insurance under the provision of the
21 Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811
22 et seq.

23 (d) Meets all the requirements of this chapter.

24 (e) Has been designated by the Treasurer as a
25 qualified public depository organized and existing under the
26 laws of this state and any bank or savings association
27 organized under the laws of the United States that has its
28 principal place of business in this state or has a branch
29 office which is authorized under the laws of this state or of
30 the United States to receive deposits in this state, that
31 meets all of the requirements of this chapter, and that has

1 ~~been designated by the Treasurer as a qualified public~~
2 ~~depository.~~

3 Section 2. Paragraphs (g), (h), and (j) of subsection
4 (1) of section 655.005, Florida Statutes, are amended to read:
5 655.005 Definitions.--

6 (1) As used in the financial institutions codes,
7 unless the context otherwise requires, the term:

8 (g) "Federal financial institution" means a federally
9 or nationally chartered or organized association, bank,
10 savings bank, or credit union.

11 (h) "Financial institution" means a state or federal
12 association, bank, savings bank, trust company, international
13 bank agency, representative office or international
14 administrative office, or credit union.

15 (j) "Financial institutions codes" means:

- 16 1. Chapter 655, relating to financial institutions
- 17 generally;
- 18 2. Chapter 657, relating to credit unions;
- 19 3. Chapter 658, relating to banks and trust companies;
- 20 4. Chapter 660, relating to trust business;
- 21 5. Chapter 663, relating to international banking
- 22 corporations; and
- 23 6. Chapter 665, relating to associations; ~~and~~
- 24 7. Chapter 667, relating to savings banks.

25 Section 3. Subsection (1) of section 655.0322, Florida
26 Statutes, is amended to read:

27 655.0322 Prohibited acts and practices; criminal
28 penalties.--

29 (1) As used in this section, the term "financial
30 institution" means a financial institution as defined in s.
31 655.50 which includes a state trust company, state or national

1 bank, state or federal association, state or federal savings
2 bank, state or federal credit union, Edge Act or agreement
3 corporation, international bank agency, representative office
4 or administrative office or other business entity as defined
5 by the department by rule, whether organized under the laws of
6 this state, the laws of another state, or the laws of the
7 United States, which institution is located in this state.

8 Section 4. Paragraph (a) of subsection (2) of section
9 655.045, Florida Statutes, is amended to read:

10 655.045 Examinations, reports, and internal audits;
11 penalty.--

12 (2)(a) The department shall require each state
13 financial institution, subsidiary, or service corporation to
14 submit a report, at least four times each calendar year, as of
15 such dates as the department may determine. ~~Each such report~~
16 ~~must contain a declaration by the chief executive officer or~~
17 ~~any other officer authorized by the board of directors to make~~
18 ~~such declaration that the report is true and correct to the~~
19 ~~best of his knowledge and belief.~~ Such report must include
20 such information as the department by rule requires for that
21 type of institution.

22 Section 5. Subsection (1) of section 655.41, Florida
23 Statutes, is amended to read:

24 655.41 Cross-industry conversions, mergers,
25 consolidations, and acquisitions; definitions used in ss.
26 655.41-655.419.--As used in ss. 655.41-655.419, the term:

27 (1) "Financial entity" means an association, bank,
28 credit union, savings bank, Edge Act or agreement corporation,
29 or trust company organized under the laws of this state or
30 organized under the laws of the United States and having its
31 principal place of business in this state.

1 Section 6. Section 655.414, Florida Statutes, is
2 amended to read:

3 655.414 Acquisition of assets; assumption of
4 liabilities.--With prior approval of the department and upon
5 such conditions as the department prescribes by rule, any
6 financial entity may acquire all or substantially all of the
7 assets of, or assume the liabilities of, any other financial
8 entity in accordance with the procedures and subject to the
9 following conditions and limitations:

10 (1) ADOPTION OF A PLAN.--The board of directors of the
11 acquiring or assuming financial entity and the board of
12 directors of the transferring financial entity must adopt, by
13 a majority vote, a plan for such acquisition, assumption, or
14 sale on such terms as are mutually agreed upon. The plan must
15 include:

16 (a) The names and types of financial entities
17 involved.

18 (b) A statement setting forth the material terms of
19 the proposed acquisition, assumption, or sale, including the
20 plan for disposition of all assets and liabilities not subject
21 to the plan.

22 (c) A provision for liquidation of the transferring
23 financial entity upon execution of the plan.

24 (d) A statement that the entire transaction is subject
25 to written approval of the department and approval of the
26 members or stockholders of the transferring financial entity.

27 (e) If a stock financial institution is the
28 transferring financial entity and the proposed sale is not to
29 be for cash, a clear and concise statement that dissenting
30 stockholders of such financial entity are entitled to the
31 rights set forth in s. 658.44(4) and (5).

1 (f) The proposed effective date of such acquisition,
2 assumption, or sale and such other information and provisions
3 as may be necessary to execute the transaction or as may be
4 required by the department.

5 (2) APPROVAL OF DEPARTMENT.--Following approval by the
6 board of directors of each participating financial entity, the
7 plan, together with certified copies of the authorizing
8 resolutions adopted by the boards and a completed application
9 with a nonrefundable filing fee, must be forwarded to the
10 department for its approval or disapproval. The department
11 shall approve the plan of acquisition, assumption, or sale if
12 it appears that:

13 (a) The resulting financial entity would have an
14 adequate capital structure in relation to its activities and
15 its deposit liabilities;

16 (b) The plan is fair to all parties; and

17 (c) The plan is not contrary to the public interest.

18
19 If the department disapproves the plan, it shall state its
20 objections and give an opportunity to the parties to amend the
21 plan to overcome such objections.

22 (3) VOTE OF MEMBERS OR STOCKHOLDERS.--If the
23 department approves the plan, it may be submitted to the
24 members or stockholders of the transferring financial entity
25 at an annual meeting or at any special meeting called to
26 consider such action. Upon a favorable vote of 51 percent or
27 more of the total number of votes eligible to be cast or, in
28 the case of a credit union, 51 percent or more of the members
29 present at the meeting, the plan is adopted.

30 (4) ADOPTED PLAN; CERTIFICATE; ABANDONMENT.--
31

1 (a) If the plan is adopted by the members or
2 stockholders of the transferring financial entity, the
3 president or vice president and the cashier, manager, or
4 corporate secretary of such financial entity shall submit the
5 adopted plan to the department, together with a certified copy
6 of the resolution of the members or stockholders approving it.

7 (b) Upon receipt of the certified copies and evidence
8 that the participating financial entities have complied with
9 all applicable federal law and regulations, the department
10 shall certify, in writing, to the participants that the plan
11 has been approved ~~adopted and is in compliance with the~~
12 ~~provisions of this section.~~

13 (c) Notwithstanding approval of the members or
14 stockholders or certification by the department, the board of
15 directors of the transferring financial entity may, in its
16 discretion, abandon such a transaction without further action
17 or approval by the members or stockholders, subject to the
18 rights of third parties under any contracts relating thereto.

19 (5) FEDERALLY CHARTERED INSTITUTION AS A
20 PARTICIPANT.--If one of the participants in a transaction
21 under this section is a federally chartered financial entity,
22 all participants must also comply with such requirements as
23 may be imposed by federal law for such an acquisition,
24 assumption, or sale and provide evidence of such compliance to
25 the department as a condition precedent to the issuance of a
26 certificate authorizing the transaction; however, if the
27 purchasing or assuming financial entity is a federally
28 chartered financial entity, approval of the department is not
29 required.

30 (6) STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.--A
31 mutual financial institution may not sell all or substantially

1 all of its assets to a stock financial entity until it has
2 first converted into a capital stock financial institution in
3 accordance with s. 665.033(1) and (2). For this purpose,
4 references in s. 665.033(1) and (2) to associations are deemed
5 to refer also to credit unions; but, in the case of a credit
6 union, the provision therein concerning proxy statements does
7 not apply.

8 ~~(7) -- BRANCH OFFICES -- If the acquisition of assets or~~
9 ~~assumption of liabilities includes any bank, association, or~~
10 ~~trust company branch office, a branch application must be~~
11 ~~filed for each proposed branch office of the acquiring or~~
12 ~~assuming financial entity in accordance with s. 658.26.~~

13 Section 7. Subsections (1) and (4) of section 658.21,
14 Florida Statutes, are amended to read:

15 658.21 Approval of application; findings
16 required.--The department shall approve the application if it
17 finds that:

18 ~~(1) Public convenience and advantage will be promoted~~
19 ~~by the establishment of the proposed state bank or trust~~
20 ~~company. Additionally, Local conditions indicate reasonable~~
21 ~~promise of successful operation for the proposed state bank or~~
22 ~~trust company and those financial institutions already~~
23 ~~established in the primary service area. In determining~~
24 ~~whether an applicant meets the requirements of this~~
25 ~~subsection, the department shall consider all materially~~
26 ~~relevant factors, including:~~

27 ~~(a) The purpose, objectives, and business philosophy~~
28 ~~growth rate, size, location, financial strength, and operating~~
29 ~~characteristics of financial institutions in the primary~~
30 ~~service area of the proposed state bank or trust company.~~

31

1 (b) The projected financial performance of the
2 proposed bank or trust company growth, economic, and
3 demographic characteristics of the primary service areas and
4 the metropolitan statistical area or county.

5 (c) The feasibility of the proposed bank or trust
6 company, as stated in the business plan, particularly with
7 respect to asset and liability growth and management.

8 (4) The proposed officers have sufficient financial
9 institution experience, ability, standing, and reputation and
10 the proposed directors have sufficient business experience,
11 ability, standing, and reputation to indicate reasonable
12 promise of successful operation, and none of the proposed
13 officers or directors has been convicted of, or pled guilty or
14 nolo contendere to, any violation of s. 655.50, relating to
15 the Florida Control of Money Laundering in Financial
16 Institutions Act; chapter 896, relating to offenses related to
17 financial institutions; or any similar state or federal law.
18 At least one of the proposed directors who is not also a
19 proposed officer shall have had at least 1 year direct
20 experience as an executive officer, regulator, or director of
21 a financial institution within 3 years of the date of the
22 application. This requirement may be waived by the department
23 if the applicant demonstrates that the proposed director has
24 very substantial experience as an executive officer, director,
25 or regulator of a financial institution more than 3 years
26 before the date of the application. The proposed president or
27 chief executive officer shall have had at least 1 year of
28 direct experience as an executive officer, director, or
29 regulator of a financial institution within the last 3 years.
30 Section 8. Paragraph (g) of subsection (2) of section
31 658.23, Florida Statutes, is amended to read:

1 658.23 Submission of articles of incorporation;
2 contents; form; approval; filing; commencement of corporate
3 existence; bylaws.--

4 (2) The articles of incorporation shall contain:

5 (g) The number of directors, which shall be five or
6 more, and the names and street addresses of the members of the
7 initial ~~first~~ board of directors.

8
9 The department shall provide to the proposed directors form
10 articles of incorporation which shall include only those
11 provisions required by this section or by chapter 607. The
12 form articles shall be acknowledged by the proposed directors
13 and returned to the department for filing with the Department
14 of State.

15 Section 9. Section 658.26, Florida Statutes, 1996
16 Supplement, is amended to read:

17 658.26 Places of transacting business; branches;
18 facilities.--

19 (1) Any bank or trust company heretofore or hereafter
20 incorporated pursuant to this chapter shall have one main
21 office, which shall be located within the state.

22 (2)(a) In addition, with the approval of the
23 department and upon such conditions as the department
24 prescribes, any bank or trust company may establish branches
25 within or outside the state. With the approval of the
26 department upon a determination that the resulting bank or
27 trust company will be of sound financial condition, any bank
28 or trust company incorporated pursuant to this chapter may
29 establish branches by merger with any other bank or trust
30 company.

31

1 (b) An application for a branch shall be in writing in
2 such form as the department prescribes and be supported by
3 such information, data, and records as the department may
4 require to make findings necessary for approval. Applications
5 filed pursuant to this subsection shall not be published in
6 the Florida Administrative Weekly but shall otherwise be
7 subject to the provisions of chapter 120. Upon the filing of
8 an application and a nonrefundable filing fee for the
9 establishment of any branch permitted by paragraph (a), the
10 department shall make an investigation with respect to
11 compliance with the requirements of paragraph (a) and shall
12 investigate and consider all factors relevant to such
13 requirements, including the following:

14 1. The sufficiency of capital accounts in relation to
15 the deposit liabilities of the bank, or in relation to the
16 number and valuation of fiduciary accounts of the trust
17 company, including the proposed branch, and the additional
18 fixed assets, if any, which are proposed for the branch and
19 its operations, without undue risk to the bank or its
20 depositors, or undue risk to the trust company or its
21 fiduciary accounts;

22 2. The sufficiency of earnings and earning prospects
23 of the bank or trust company to support the anticipated
24 expenses and any anticipated operating losses of the branch
25 during its formative or initial years;

26 3. The sufficiency and quality of management available
27 to operate the branch;

28 4. The name of the proposed branch to determine if it
29 reasonably identifies the branch as a branch of the main
30 office and is not likely to unduly confuse the public; and
31

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1 5. Substantial compliance by the applicants with
2 applicable law governing their operations.

3 (c) A branch application, filed by a strong,
4 well-managed state bank or trust company, which is not denied
5 within 10 working days after receipt of the application shall
6 be deemed approved unless the department notifies the
7 financial institution in writing that the application was not
8 complete.

9 (3)(a) An office in this state ~~which has been in~~
10 ~~operation for at least 18 months~~ may be relocated ~~within this~~
11 ~~state upon 30 days' prior written notification to the~~
12 ~~department. An office in this state which has been open for~~
13 ~~less than 18 months may be relocated within this state~~ with
14 prior written approval of the department, ~~if the relocation~~
15 ~~will not create an unsafe and unsound condition.~~ An
16 application for relocation shall be in writing in such form as
17 the department prescribes and shall be supported by such
18 information, data, and records as the department may require
19 to make findings necessary for approval. Additional
20 ~~investments in land, buildings, leases, and leasehold~~
21 ~~improvements resulting from such relocation shall comply with~~
22 ~~the limitations imposed by s. 658.67(7)(a). The location of~~
23 ~~an office may not be moved beyond the limits of the county or~~
24 ~~counties in which the bank or trust company maintains~~
25 ~~authorized bank or trust company offices and may not be moved~~
26 ~~outside this state unless expressly authorized by the~~
27 ~~financial institutions codes or by federal law.~~

28 (b) Applications filed pursuant to this subsection
29 shall not be published in the Florida Administrative Weekly
30 but shall otherwise be subject to the provisions of chapter
31 120. However, an application for the relocation of a main

1 office that has not been in operation for at least 24 months
2 shall be published in the Florida Administrative Weekly. Upon
3 the filing of a relocation application and a nonrefundable
4 filing fee, the department shall investigate to determine
5 substantial compliance by the financial institution with
6 applicable law governing its operations. Additional
7 investments in land, buildings, leases, and leasehold
8 improvements resulting from such relocation shall comply with
9 the limitations imposed by s. 658.67(7)(a). A main office may
10 not be moved outside this state unless expressly authorized by
11 the financial institutions codes or by federal law. The
12 ~~redesignation-of-a-main-office-and-a-branch-office-within-this~~
13 ~~state-may-be-made-with-prior-written-notification-to-the~~
14 ~~department. However, the redesignation of the main office~~
15 ~~during the bank or trust company's first 18 months of~~
16 ~~operation requires the prior written approval of the~~
17 ~~department.~~

18 (c) A relocation application, filed by a strong,
19 well-managed state bank or trust company, which is not denied
20 within 10 working days after receipt shall be deemed approved
21 unless the department notifies the financial institution in
22 writing that the application was not complete.

23 (d) In addition to the application required by
24 paragraph (a), a financial institution whose main office in
25 this state has been in operation less than 24 months must
26 provide evidence that the criteria of s. 658.21(1) will be
27 met.

28 (e) With 30 days' prior written notice, an established
29 branch office may be consolidated with another established
30 branch office when the two offices are located within a 1-mile
31

1 radius. The notice shall include any information the
2 department may prescribe by rule.

3 (f) A branch office may be closed with 30 days' prior
4 written notice to the department. The notice shall include any
5 information the department may prescribe by rule.

6 (4) With prior written notification to the department,
7 any bank may operate facilities which are not physically
8 connected to the main or branch office of the bank, provided
9 that the facilities are situated on the property of the main
10 or branch office or property contiguous thereto. Property
11 which is separated from the main or branch office of a bank by
12 only a street, and one or more walkways and alleyways are
13 determined to be, for purposes of this subsection, contiguous
14 to the property of the main or branch office.

15 (5) A bank may provide, directly or through a contract
16 with another company, off-premises armored car service to its
17 customers. Armored car services shall not be considered a
18 branch for the purposes of subsection (2).

19 (6)(a) Any state bank that is a subsidiary of a bank
20 holding company may agree to receive deposits, renew time
21 deposits, close loans, service loans, and receive payments on
22 loans and other obligations, as an agent for an affiliated
23 depository institution.

24 (b) The term "close loan" does not include the making
25 of a decision to extend credit or the extension of credit.

26 (c) As used in this section, "receive deposits" means
27 the taking of deposits to be credited to an existing account
28 and does not include the opening or origination of new deposit
29 accounts at an affiliated institution by the agent
30 institution.

31

1 (d) Under this section, affiliated banks may act as
2 agents for one another regardless of whether the institutions
3 are located in the same or different states. This section
4 applies solely to affiliated depository institutions acting as
5 agents, and has no application to agency relationships
6 concerning nondepositories as agent, whether or not affiliated
7 with the depository institution.

8 (e) In addition, under this section, agent banks may
9 perform ministerial functions for the principal bank making a
10 loan. Ministerial functions include, but are not limited to,
11 such activities as providing loan applications, assembling
12 documents, providing a location for returning documents
13 necessary for making the loan, providing loan account
14 information, and receiving payments. It does not include such
15 loan functions as evaluating applications or disbursing loan
16 funds.

17
18 For the purposes of this section, a strong, well-managed state
19 bank or trust company is an institution that has been in
20 operation for at least 24 months, is well capitalized, has
21 received a satisfactory rating at the institution's most
22 recent state or federal safety and soundness examination, and
23 is not the object of any enforcement action.

24 Section 10. Paragraph (b) of subsection (3) and
25 paragraph (a) of subsection (8) of section 658.295, Florida
26 Statutes, 1996 Supplement, are amended to read:

27 658.295 Interstate banking.--

28 (3) STATEMENT OF LEGISLATIVE INTENT.--In general,
29 states have a strong interest in the activities and operations
30 of depository institutions doing business within their
31 jurisdictions, regardless of the type of charter an

1 institution holds. In particular, states have a legitimate
2 interest in protecting the rights of consumers, businesses,
3 and communities. Further, Congress did not intend that the
4 Interstate Banking and Branching Efficiency Act of 1994 alter
5 this balance and thereby weaken states' authority to protect
6 the interests of consumers, businesses, or communities.

7 (b) Nothing in this section shall be construed to
8 prohibit the acquisition by an out-of-state bank holding
9 company of all or substantially all of the shares of a bank
10 organized solely for the purpose of facilitating the
11 acquisition of a bank that has been in existence and
12 continuously operated as a bank for more than 3 2 years, if
13 the acquisition has otherwise been approved pursuant to this
14 section.

15 (8) STANDARDS FOR APPROVAL.--Except as otherwise
16 provided in this section:

17 (a) No direct or indirect acquisition of a Florida
18 bank or a Florida bank holding company by a bank holding
19 company shall be permitted unless the Florida bank or all
20 Florida bank subsidiaries of the bank holding company to be
21 acquired have been in existence and continuously operating, on
22 the date of such acquisition, for more than 3 years. Provided
23 ~~however, that this subsection shall not prohibit approval of~~
24 ~~any acquisition otherwise lawful for which a definitive~~
25 ~~agreement for acquisition is entered into within 6 months of~~
26 ~~the effective date of this statute.~~

27 Section 11. Subsections (2), (6), (8), and (14) of
28 section 658.2953, Florida Statutes, 1996 Supplement, are
29 amended to read:

30 658.2953 Interstate branching.--
31

1 (2) PURPOSE.--The purpose of this section is to permit
2 interstate branching, effective May 31 June-1, 1997, by a
3 merger transaction under s. 102 of the Riegle-Neal Interstate
4 Banking and Branching Efficiency Act of 1994, Pub. L. No.
5 103-328, in accordance with this section.

6 (6) AUTHORITY OF STATE BANKS TO ESTABLISH INTERSTATE
7 BRANCHES BY MERGER.--Beginning May 31 June-1, 1997, with the
8 prior written approval of the department, a state bank may
9 establish, maintain, and operate one or more branches in a
10 state other than this state pursuant to an interstate merger
11 transaction in which the state bank is the resulting bank. No
12 later than the date on which the required application for the
13 interstate merger transaction is filed with the responsible
14 federal bank regulatory agency, the applicant state bank shall
15 file an application on a form prescribed by the department
16 accompanied by the required fee pursuant to s. 658.73. The
17 applicant shall also comply with the provisions of ss.
18 658.40-658.45. branching.--

19 (8) NOTICE AND FILING REQUIREMENTS.--Any out-of-state
20 bank that will be the resulting bank pursuant to an interstate
21 merger transaction involving a Florida bank shall notify the
22 department of the proposed merger within 15 days after the
23 date on which it files an application for an interstate merger
24 transaction with the appropriate federal regulatory agency. ~~A~~
25 ~~copy of the application shall be submitted to the department~~
26 ~~accompanied by the required filing fee, pursuant to s. 658.73.~~
27 ~~Any out-of-state bank that shall be the resulting bank in such~~
28 ~~an interstate merger transaction shall comply with applicable~~
29 ~~requirements of ss. 607.1501-607.1532.~~

30 (14) ADDITIONAL BRANCHES; POWERS.--

31

1 (a) An out-of-state bank or bank holding company that
2 has acquired a bank in this state pursuant to s. 658.295, or
3 by interstate merger pursuant to this section, may establish
4 an additional branch or additional branches in this state to
5 the same extent that any Florida bank may establish a branch
6 or branches in this state.

7 ~~(b) An out-of-state bank desiring to establish and~~
8 ~~maintain a branch in this state pursuant to this section shall~~
9 ~~provide written notice of the proposed transaction to the~~
10 ~~department within 45 days after the date on which the bank~~
11 ~~applies to the responsible federal bank regulatory agency for~~
12 ~~approval to establish the branch. The filing of such notice~~
13 ~~shall be accompanied by the filing fee pursuant to s. 658.73.~~

14 (b)(c) An out-of-state bank may conduct only those
15 activities at its Florida branch or branches that are
16 authorized under the laws of this state or of the United
17 States. However, an out-of-state bank with trust powers
18 resulting from an interstate merger transaction with one or
19 more Florida banks with trust powers shall be entitled to and
20 may exercise all trust powers in this state as a Florida bank
21 with trust powers that participated in the transaction.

22 Section 12. Subsections (2) and (3) of section 658.73,
23 Florida Statutes, 1996 Supplement, are amended to read:

24 658.73 Fees and assessments.--

25 (2) Applications filed with the department shall be
26 accompanied by payment of the following nonrefundable fees:

27 (a) Fifteen thousand dollars for each application for
28 authority to organize a new state bank or state trust company.

29 (b) Two thousand five hundred dollars for each
30 application by an existing bank or association for trust
31 powers.

1 (c) Seven thousand five hundred dollars for each
2 application for authority to acquire a controlling interest in
3 a state bank or state trust company; however, if more than one
4 bank or trust company is being acquired in any such
5 application, the fee shall be increased by \$3,500 for each
6 additional bank or trust company. However, in no event shall
7 the fee exceed \$15,000.

8 (d) Seven thousand five hundred dollars for each
9 application for conversion of a national bank to a state bank.

10 (e) ~~Seven~~ Two-thousand-five hundred fifty dollars for
11 each application to establish a branch of a strong,
12 well-managed state bank, ~~an out-of-state bank,~~ or a state
13 trust company as defined in s. 658.26. One thousand five
14 hundred dollars for each application to establish a branch by
15 any other state bank or state trust company.

16 (f) One thousand five hundred dollars for each
17 application for authority to establish a trust service office
18 of a state trust company or of a trust department of a state
19 bank or association, and a like amount for each application by
20 a bank or association with trust powers which is not a state
21 bank or state association for authority to establish a trust
22 service office at a state bank, state association, or state
23 credit union.

24 (g) Seven thousand five hundred dollars for each
25 application for a merger or consolidation; however, if three
26 or more banks or trust companies are involved in any such
27 application, the fee shall be \$3,500 for each involved
28 institution. However, in no event shall the fee exceed
29 \$15,000.

30 (h) Two thousand five hundred dollars to establish a
31 successor institution.

1 (i) Two hundred fifty dollars for each application by
2 a strong, well-managed state bank or trust company, as defined
3 in s. 658.26, to relocate the main office of a state bank or a
4 state trust company. Each other state bank or trust company
5 shall pay a fee of \$750 for each application for relocation of
6 its main office. Seven-thousand-five-hundred-dollars-for-each
7 application-by-an-out-of-state-bank-holding-company-to-make-an
8 acquisition-pursuant-to-s.-658.295.

9 (j) Two thousand five hundred dollars for each
10 application for the purchase of assets and the assumption of
11 liabilities. If, as a result of such application, the
12 applicant will establish more than 10 branch offices within
13 this state, an application fee of \$100 is required for each
14 additional branch office.

15 (3)(a) If, as a result of any application filed with
16 the department, the department determines that an examination
17 is necessary to assess the financial condition of any
18 financial institution, the applying financial institution
19 shall pay to the department a nonrefundable examination fee,
20 pursuant to s. 655.045(1).

21 (b) The department may refund up to one-half of the
22 fee submitted with an application if the application is
23 withdrawn by the applicant prior to publication in the Florida
24 Administrative Weekly.

25 (4)(~~3~~) The amounts of all fees and assessments
26 provided for in this section shall be deemed to be maximum
27 amounts; and the department has the authority to establish, by
28 rule, and from time to time to change, fees and assessments in
29 amounts less than the maximum amounts stated in this section.

30 Section 13. Section 663.06, Florida Statutes, is
31 amended to read:

1 663.06 Licenses; permissible activities.--

2 (1) An international banking corporation licensed to
3 operate an office in this state may engage in the business
4 authorized by this part at the office specified in such
5 license for an indefinite such period ~~as is provided in~~
6 ~~subsection (2) or subsection (3)~~. An international banking
7 corporation may operate more than one international bank
8 agency, international branch, or international representative
9 office, each at a different place of business, provided that
10 each office shall be separately licensed. No license to
11 operate an international bank office is transferable or
12 assignable. However, the location of an international bank
13 office may be changed after notification of the department.
14 Every such license shall be, at all times, conspicuously
15 displayed in the place of business specified therein.

16 ~~(2)--Except as provided in subsection (3), a license to~~
17 ~~operate an international bank agency, international branch,~~
18 ~~international representative office, or international~~
19 ~~administrative office shall be valid for a period of 4 year,~~
20 ~~unless such license is suspended or revoked sooner pursuant to~~
21 ~~subsection (5). The license may be renewed annually upon~~
22 ~~application to the department, upon forms available for that~~
23 ~~purpose, within 30 days prior to the expiration of the~~
24 ~~license. The license may be renewed by the department, in its~~
25 ~~discretion, upon its determination, with or without~~
26 ~~examination, that the international banking corporation is in~~
27 ~~a safe and sound condition and has complied with all~~
28 ~~requirements of law with respect to the international bank~~
29 ~~agency, international branch, international representative~~
30 ~~office, or international administrative office, that the~~
31 ~~renewal of the license will not be detrimental to the public~~

1 interest, and that the renewal has been duly authorized by
2 proper corporate action. Each application for renewal of a
3 license shall be accompanied by the fee prescribed in s.
4 663.42.

5 ~~(3)~~ Notwithstanding the provisions of subsection (2),
6 the department may, in its discretion, issue a license to an
7 international banking corporation for an indefinite period if
8 it finds that the international banking corporation has
9 satisfied the requirements for renewal of its license and has
10 held a license for the previous 3 years. However, an
11 indefinite license to operate an international bank agency or
12 international branch may not be issued to an international
13 banking corporation unless it has held one or the other of
14 such licenses for at least 3 years. A license issued for an
15 indefinite period shall be valid without renewal unless
16 suspended or revoked pursuant to subsection (5). An
17 international banking corporation that is granted a license
18 for an indefinite period shall file with the department such
19 annual financial statements as the department may require and
20 shall pay an annual fee equal to the annual renewal fee for
21 each license held by the international banking corporation.
22 Such annual fee shall be paid not later than January 31 of
23 each year.

24 (2)(4) An international banking corporation which
25 proposes to terminate the operations of its international bank
26 agency, international branch, international representative
27 office, or international administrative office shall surrender
28 its license to the department and comply with such procedures
29 as the department may prescribe by rule.

30 (3)(5) An international bank agency, international
31 branch, international representative office, or international

1 administrative office license may be suspended or revoked by
2 the department, with or without examination, upon its
3 determination that the international banking corporation does
4 not meet all requirements for original licensing ~~or any of the~~
5 ~~criteria established by subsection (2) for renewal of a~~
6 license. The department may by rule prescribe additional
7 conditions or standards under which the license of an
8 international bank agency, international branch, international
9 representative office, or international administrative office
10 may be suspended or revoked.

11 (4)(6) In the event any such license is surrendered by
12 the international banking corporation or is suspended or
13 revoked by the department, ~~or the renewal thereof is refused~~
14 ~~by the department,~~ all rights and privileges of the
15 international banking corporation to transact the business
16 thus licensed shall cease. The department shall, by rule,
17 prescribe procedures for the surrender of a license and for
18 the orderly cessation of business by an international banking
19 corporation in a manner which is not harmful to the interests
20 of its customers or of the public.

21 (5)(7) In addition to the activities in which it is
22 expressly permitted to engage:

23 (a) An international branch may engage in any
24 activities permissible for an international bank agency.

25 (b) An international bank agency may engage in any
26 activities permissible for an international administrative
27 office.

28 (c) An international administrative office may engage
29 in any activities permissible for an international
30 representative office.

31

1 Section 14. Paragraph (e) of subsection (1) and
2 subsection (2) of section 663.12, Florida Statutes, are
3 amended to read:

4 663.12 Fees; assessments; fines.--

5 (1) Each application for a license under the
6 provisions of this part shall be accompanied by a
7 nonrefundable filing fee payable to the department in the
8 following amount:

9 (e) Two thousand dollars annually for operating an
10 international representative office or international
11 administrative office ~~the annual renewal of an existing~~
12 ~~license.~~

13 (2) Each international bank agency, international
14 branch and state-chartered investment company shall pay to the
15 department a semiannual assessment, payable on or before
16 January 31 and July 31 of each year, in an amount determined
17 by rule by the department and calculated in a manner so as to
18 recover the costs of the department incurred in connection
19 with the supervision of international banking activities
20 licensed under this part. These rules shall provide for
21 uniform rates of assessment for all licenses of the same type,
22 shall provide for declining rates of assessment in relation to
23 the total assets of the licensee held in the state, but shall
24 not, in any event, provide for rates of assessment which
25 exceed the rate applicable to state banks pursuant to s.
26 658.73, unless the rate of assessment would result in a
27 semiannual assessment of less than \$1,000. For the purposes
28 of this subsection, the total assets of an international bank
29 agency, international branch, or state-chartered investment
30 company shall include amounts due the agency or branch or
31 state investment company from other offices, branches, or

1 subsidiaries of the international banking corporations or
2 other corporations of which the agency, branch, or
3 state-chartered investment company is a part or from entities
4 related to that international banking corporation.

5 Section 15. Sections 667.001, 667.002, 667.003,
6 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010,
7 667.011, 667.012, and 667.013, Florida Statutes, are created
8 to read:

9 667.001 Short title.--This chapter may be cited as the
10 "Florida Savings Bank Act."

11 667.002 Definitions.--Except to the extent
12 specifically qualified by context, when used in this chapter:

13 (1) "Capital stock" means the aggregate of shares of
14 nonwithdrawable capital issued by a capital stock association,
15 but does not include nonwithdrawable capital represented by
16 capital certificates.

17 (2) "Dwelling unit" means a single, unified
18 combination of rooms which is designed for residential use by
19 one family in a multiple dwelling unit structure and which is
20 not "home property."

21 (3) "Earnings" means that part of the sources
22 available for payment of earnings of a savings bank which is
23 declared payable on savings accounts from time to time by the
24 board of directors and is the cost of savings money to the
25 savings bank. Earnings also may be referred to as "interest."

26 (4) "Home property" means real estate on which is
27 located, or will be located pursuant to a real estate loan, a
28 structure designed for residential use by one family or a
29 single condominium unit, including common elements pertinent
30 to such unit, designed for residential use by one family in a
31

1 multiple-dwelling-unit structure or complex and including
2 fixtures, home furnishings, and equipment.

3 (5) "Liquid assets" means:

4 (a) Cash on hand.

5 (b) Cash on deposit in a federal home loan bank or
6 federal reserve bank, or a state bank which performs similar
7 reserve functions, and which is withdrawable upon not more
8 than 30 days' notice and which is not pledged as security for
9 indebtedness. Any deposits in a financial depository
10 institution under the control of or in the possession of any
11 supervisory authority are not liquid assets.

12 (c) Obligations of, or obligations which are fully
13 guaranteed as to principal and interest by, the United States
14 or this state.

15 (d) Such other assets as may be approved by the
16 department which are accepted as liquid assets for federally
17 insured savings banks by the appropriate federal regulatory
18 agency.

19 (6) "Net income" means gross revenues for an
20 accounting period, less all expenses paid or incurred, taxes,
21 and losses sustained as shall not have been charged to
22 reserves pursuant to the provisions of this chapter.

23 (7) "Primarily residential property" means real estate
24 on which there is located, or will be located pursuant to a
25 real estate loan:

26 (a) Any structure designed or used primarily for
27 residential rather than nonresidential purposes and consisting
28 of more than one dwelling unit.

29 (b) Any structure designed or used primarily for
30 residential rather than nonresidential purposes for students,
31 residents and persons under care, employees, or members of the

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1 staff of an educational, health, or welfare institution or
2 facility.

3 (c) Any structure which is used in part for
4 residential purposes for not more than one family and in part
5 for business purposes, provided the residential use of such
6 structure must be substantial and permanent, not merely
7 transitory.

8 (8) "Real estate loan" means any loan or other
9 obligation secured by a lien on real estate in any state held
10 in fee or in a leasehold extending or renewable automatically
11 for a period of at least 15 years beyond the date scheduled
12 for the final principal payment of such loan or obligation, or
13 any transaction out of which a lien or claim is created
14 against such real estate, including, but not limited to, the
15 purchase of such real estate in fee by a savings bank and the
16 concurrent or immediate sale of such real estate on
17 installment contract.

18 (9) "Savings account" means that part of the savings
19 liability of the savings bank which is credited to the account
20 of the holder of such account. A savings account also may be
21 referred to as a "savings deposit."

22 (10) "Savings bank" means a capital stock or mutual
23 savings bank subject to the provisions of this chapter.

24 (11) "Savings liability" means the aggregate amount of
25 savings accounts of depositors, including earnings credited to
26 such accounts, less redemptions and withdrawals.

27 (12) "State savings bank" means any savings bank which
28 has an existing savings bank charter issued pursuant to the
29 provisions of the financial institutions codes.

30 (13) "Stockholder" means the holder of one or more
31 shares of any class of capital stock of a capital stock

1 savings bank organized or operating pursuant to the provisions
2 of this chapter.

3 667.003 Applicability of chapter 658.--Any state
4 savings banks is subject to all the provisions, and entitled
5 to all the privileges, of the financial institutions codes
6 except where it appears, from the context or otherwise, that
7 such provisions clearly apply only to banks or trust companies
8 organized under the laws of this state or the United States.
9 Without limiting the foregoing general provisions, it is the
10 intent of the Legislature that the following provisions apply
11 to a savings bank to the same extent as if the savings bank
12 were a "bank" operating under such provisions:

13 (1) Section 658.12, relating to definitions.

14 (2) Section 658.16, relating to creation of banking or
15 trust corporation.

16 (3) Section 658.19, relating to application for
17 authority to organize a bank or trust company.

18 (4) Section 658.20, relating to investigation by
19 department.

20 (5) Section 658.21, relating to approval of
21 application; findings required.

22 (6) Section 658.22, relating to coordination with
23 federal agencies.

24 (7) Section 658.23, relating to submission of articles
25 of incorporation; contents; form; approval; filing;
26 commencement of corporate existence; bylaws.

27 (8) Section 658.235, relating to subscriptions for
28 stock; approval of major shareholders.

29 (9) Section 658.24, relating to organizational
30 procedures.

31 (10) Section 658.25, relating to opening for business.

1 (11) Section 658.26, relating to places of transacting
2 business; branches; facilities.

3 (12) Section 658.295, relating to interstate banking.

4 (13) Section 658.2953, relating to interstate
5 branching.

6 (14) Section 658.30, relating to application of the
7 Florida Business Corporation Act.

8 (15) Section 658.32, relating to annual meetings.

9 (16) Section 658.33, relating to directors, number,
10 qualifications; officers.

11 (17) Section 658.34, relating to shares of capital
12 stock.

13 (18) Section 658.35, relating to share options;
14 warrants.

15 (19) Section 658.36, relating to changes in capital.

16 (20) Section 658.37, relating to dividends and
17 surplus.

18 (21) Section 658.38, relating to deposit insurance.

19 (22) Section 658.39, relating to stockholders;
20 examination of records.

21 (23) Section 658.40, relating to definitions for
22 merger and consolidation.

23 (24) Section 658.41, relating to merger; resulting
24 state or national bank.

25 (25) Section 658.42, relating to plan of merger and
26 merger agreement.

27 (26) Section 658.43, relating to approval by
28 department; valuation of assets; emergency action.

29 (27) Section 658.44, relating to approval by
30 stockholders; rights of dissenters; preemptive rights.

1 (28) Section 658.45, relating to certificate of merger
2 and effective date; effect on charters and powers.

3 (29) Section 658.48, relating to loans.

4 (30) Section 658.49, relating to loans by banks not
5 exceeding \$50,000.

6 (31) Section 658.491, relating to commercial loans by
7 financial institutions.

8 (32) Section 658.51, relating to banks authorized to
9 make commodity loans.

10 (33) Section 658.53, relating to borrowing; limits of
11 indebtedness.

12 (34) Section 658.60, relating to depositories of
13 public moneys and pledge of assets.

14 (35) Section 658.65, relating to remote financial
15 service units.

16 (36) Section 658.67, relating to investment powers and
17 limitations.

18 (37) Section 658.73, relating to fees and assessments.

19 (38) Section 658.79, relating to taking possession of
20 insolvent state banks or trust companies.

21 (39) Section 658.80, relating to appointment of
22 receiver or liquidator.

23 (40) Section 658.81, relating to department action;
24 notice and court confirmation.

25 (41) Section 658.82, relating to receiver; powers and
26 duties.

27 (42) Section 658.83, relating to liquidator; powers
28 and duties.

29 (43) Section 658.84, relating to transfers by banks
30 and other acts in contemplation of insolvency.

31

1 (44) Section 658.90, relating to receivers or
2 liquidators under supervision of department.

3 (45) Section 658.94, relating to prima facie evidence.

4 (46) Section 658.95, relating to voluntary
5 liquidation.

6 (47) Section 658.96, relating to procedure in
7 voluntary liquidation.

8 667.004 Name.--The name of every savings bank shall
9 include the words "savings bank." The use of the words
10 "National," "Federal," "United States," "insured," or
11 "guaranteed," separately or in any combination thereof with
12 other words or syllables, is prohibited as part of the
13 corporate name of a savings bank.

14 667.005 Reorganization, merger, or consolidation with
15 a foreign savings bank.--

16 (1) A savings bank shall have the power to reorganize,
17 merge, or consolidate with a foreign savings bank, as defined
18 in s. 667.013, subject to the approval of the department.

19 (2) If the resulting or surviving savings bank is to
20 be a foreign savings bank, the department shall not approve
21 the proposed transaction unless:

22 (a) The laws of the state in which the foreign savings
23 bank has its principal place of business permit savings banks
24 in that state to reorganize, merge, or consolidate with
25 Florida savings banks in transactions in which the resulting
26 or surviving savings bank is a Florida savings bank.

27 (b) The constituent Florida savings bank has been in
28 existence and continuously operating for more than 2 years.

29 (3) A proposed transaction in which the resulting or
30 surviving savings bank is to be a foreign savings bank shall
31 be subject to any conditions, restrictions, and requirements

1 that would apply in the state where the foreign savings bank
2 has its principal place of business if the resulting or
3 surviving savings bank were to be a Florida savings bank,
4 which conditions, restrictions, and requirements would not
5 apply to a reorganization, merger, or consolidation of savings
6 banks all of which are located in that state.

7 (4) A foreign savings bank which is the resulting or
8 surviving savings bank in a reorganization, merger, or
9 consolidation with a Florida savings bank shall not be
10 considered a Florida savings bank.

11 (5) Each application for reorganization, merger, or
12 consolidation with a foreign savings bank shall be accompanied
13 by a nonrefundable filing fee as provided in s. 658.73(2)(g).

14 667.006 Conversion of state or federal mutual savings
15 bank or state or federal mutual association to capital stock
16 savings bank.--

17 (1) CONVERSION INTO CAPITAL STOCK SAVINGS BANK.--Any
18 state or federal mutual savings bank or state or federal
19 mutual association may apply to the department for permission
20 to convert itself into a capital stock savings bank operated
21 under the provisions of this chapter in accordance with the
22 following procedures:

23 (a) The board of directors shall approve a plan of
24 conversion by resolution adopted by a majority vote of all the
25 directors. The plan shall include, but not be limited to:

26 1. Financial statements of the savings bank as of the
27 last day of the month preceding adoption of the plan.

28 2. Such financial data as may be required to determine
29 compliance with applicable regulatory requirements respecting
30 financial condition.

31

1 3. A provision that each savings account holder of the
2 mutual savings bank will receive a withdrawable account in the
3 capital stock savings bank equal in amount to his withdrawable
4 account in the mutual savings bank.

5 4. A provision that each member of record will be
6 entitled to receive rights to purchase voting common stock.

7 5. Pro forma financial statements of the savings bank
8 as a capital stock savings bank, which shall include data
9 required to determine compliance with applicable regulatory
10 requirements respecting financial condition.

11 6. With particularity, the business purpose to be
12 accomplished by the conversion.

13 7. Such other information as the department may
14 require by rule.

15 (b) The plan of conversion shall be executed by a
16 majority of the board of directors and submitted to the
17 department for approval prior to any vote on conversion by the
18 members.

19 (c) The department may approve or disapprove the plan
20 in its discretion, but it shall not approve the plan unless it
21 finds that the savings bank will comply sufficiently with the
22 requirements of the financial institutions codes after
23 conversion to entitle it to become a savings bank operating
24 under the financial institutions codes and the rules of the
25 department. The department may deny any application from any
26 federal savings bank that is subject to any cease and desist
27 order or other supervisory restriction or order imposed by any
28 state or the federal supervisory authority, or insurer, or
29 quarantor or that has been convicted of, or pled guilty or
30 nolo contendere to, a violation of s. 655.50, relating to the
31 Florida Control of Money Laundering in Financial Institutions

1 Act; chapter 896, relating to offenses related to financial
2 transactions; or any similar state or federal law.

3 (d) If the department approves the plan of conversion,
4 the question of such conversion may be submitted to the
5 members at a meeting of voting members called to consider such
6 action. A vote of 51 percent or more of the total number of
7 votes eligible to be cast shall be required for approval,
8 unless federal law permits a lesser percentage of votes for a
9 federal mutual savings bank to convert, in which case that
10 percentage shall control. Notice of the meeting, giving the
11 time, place, and purpose thereof, together with a proxy
12 statement and proxy form covering all matters to be brought
13 before the meeting, shall be mailed at least 30 days prior to
14 the meeting to the department for review and to each voting
15 member at his or her last address as shown on the books of the
16 savings bank.

17 (2) MINUTES OF MEETING.--Copies of the minutes of the
18 meeting of members, verified by the affidavit of the secretary
19 or assistant secretary of the savings bank, shall be filed
20 with the department and with the appropriate federal
21 regulatory agency, within a reasonable time after the meeting.
22 When so filed, the verified copies of the minutes are
23 presumptive evidence of the holding of the meeting and of the
24 action taken.

25 (3) FILING OF ARTICLES OF INCORPORATION AND COMMITMENT
26 FOR INSURANCE OF ACCOUNTS.--The directors of the savings bank
27 shall have executed and filed with the department proposed
28 articles of incorporation as provided in s. 658.23, together
29 with the application for conversion and a firm commitment for,
30 or evidence of, insurance of deposits and other accounts of a
31 withdrawable type. The articles shall contain a statement that

1 the savings bank resulted from the conversion of a state or
2 federal mutual savings bank to a capital stock savings bank.
3 Approval by the department shall be affixed to the articles of
4 incorporation. A copy of the articles of incorporation shall
5 be filed with the Department of State and one copy of the
6 articles of incorporation and the certificate of incorporation
7 shall be returned to the savings bank. The savings bank shall
8 cease to be a mutual savings bank at the time and on the date
9 specified in the approved articles of incorporation.

10 (4) SUCCESSION.--Upon conversion of a mutual savings
11 bank, the legal existence of the savings bank shall not
12 terminate, but the capital stock savings bank shall be a
13 continuation of the entity of the mutual savings bank, and all
14 property of the mutual savings bank, including its rights,
15 titles, and interests in and to all property of whatever kind,
16 whether real, personal, or mixed, things in action, and every
17 right, privilege, interest, and asset of every conceivable
18 value or benefit then existing or pertaining to it, or which
19 would inure to it, immediately, by act of law and without any
20 conveyance or transfer and without any further act or deed,
21 shall vest and remain in the capital stock savings bank into
22 which the mutual savings bank has converted. The capital stock
23 savings bank shall have, hold, and enjoy the same in its own
24 right as fully and to the same extent as the same was
25 possessed, held, and enjoyed by the mutual savings bank. The
26 capital stock savings bank, upon the taking effect of the
27 conversion, shall continue to have and succeed to all the
28 rights, obligations, and relations of the mutual savings bank.
29 All pending actions and other judicial proceedings to which
30 the mutual savings bank is a party shall not be abated or
31 discontinued by reason of the conversion but may be prosecuted

1 to final judgment, order, or decree in the same manner as if
2 the conversion had not been made, and the capital stock
3 savings bank resulting from the conversion may continue the
4 actions in its corporate name as a mutual savings bank. Any
5 judgment, order, or decree may be rendered for or against it
6 which might have been rendered for or against the mutual
7 savings bank theretofore involved in the proceedings.

8 (5) FEE.--The application for conversion from a state
9 or federal mutual to a state capital stock savings bank shall
10 be accompanied by a nonrefundable filing fee of \$7,500.
11 Additionally, the department is authorized to assess any
12 savings bank applying to convert pursuant to this section a
13 nonrefundable examination fee to cover the actual costs of any
14 examination required as part of the application process.

15 667.007 Supervisory case; emergency conversion,
16 reorganization, merger; consolidation; acquisition of
17 assets.--

18 (1) The department may determine that a state or
19 federal savings bank is a supervisory case if it finds that:

20 (a) The savings bank is insolvent; or

21 (b) The savings bank is imminently insolvent.

22
23 Any such finding by the department shall be based upon reports
24 furnished to it by a state or federal regulatory agency or
25 upon other evidence from which it is reasonable to conclude
26 that the savings bank is a supervisory case.

27 (2) Notwithstanding any other provision of this
28 chapter or chapter 120, if the department finds that immediate
29 action is necessary to protect the interests of depositors and
30 reduce the potential for claims against the insurance fund, or
31 in order to prevent the probable failure of a state or federal

1 savings bank which is a supervisory case, the department shall
2 have the power, with the concurrence of the appropriate
3 federal regulatory agency in the case of any savings bank the
4 deposits of which are federally insured, to issue an emergency
5 order authorizing:

6 (a) The conversion of such savings bank from a state
7 to a federal charter, or vice versa, without change of
8 business form;

9 (b) The reorganization, merger, or consolidation of
10 such state or federal savings bank with another state or
11 federal savings bank;

12 (c) The conversion of such state or federal savings
13 bank into a state or federal capital stock savings bank; or

14 (d) Any state or federal savings bank to acquire the
15 assets of, and assume the liabilities of, such failing savings
16 bank.

17 667.008 Acquisition of assets of or control over a
18 savings bank.--

19 (1)(a) In any case in which a person or group of
20 persons proposes to purchase or acquire voting common stock of
21 any capital stock savings bank, which purchase or acquisition
22 would cause such person or group of persons to have control,
23 as defined herein, of that savings bank, such person or group
24 of persons must first make application to the department for a
25 certificate of approval of such purchase or acquisition.

26 (b) An application for control shall be in such form
27 and request such information as the department may require by
28 rule.

29 (c) The application for control shall be accompanied
30 by a nonrefundable filing fee of \$7,500; however, if more than
31 one savings bank is being acquired in any such application,

1 the fee shall be increased by \$3,000 for each additional
2 savings bank.

3 (2) The department shall issue the certificate of
4 approval only after it has made an investigation and
5 determined that:

6 (a) The proposed new owner or owners of voting capital
7 stock are qualified by character, experience, and financial
8 responsibility to control the savings bank in a legal and
9 proper manner and none of the proposed new owners have been
10 convicted of, or pled guilty or nolo contendere to, a
11 violation of s. 655.50, relating to the Florida Control of
12 Money Laundering in Financial Institutions Act; chapter 896,
13 relating to offenses related to financial transactions; or any
14 similar state or federal law.

15 (b) The interests of the public generally will not be
16 jeopardized by the proposed purchase or acquisition of voting
17 capital stock.

18 (3) This section does not apply to the acquisition of:

19 (a) Directors' voting proxies acquired in the normal
20 course of business as a result of proxy solicitation in
21 conjunction with a stockholders' meeting;

22 (b) Stock in a fiduciary capacity unless the acquiring
23 person has sole discretionary authority to exercise voting
24 rights with respect thereto;

25 (c) Stock acquired in securing or collecting a debt
26 contracted in good faith until 2 years after the date of
27 acquisition;

28 (d) Stock acquired by an underwriter in good faith and
29 without any intent to evade the purpose of this section if the
30 shares are held only for such reasonable period of time as
31 will permit the sale thereof; or

1 (e) Control of a savings bank by a unitary savings
2 bank holding company if the person or persons who control the
3 holding company are the same person or persons who control the
4 savings bank.

5 (4) For purposes of this section, a person or group of
6 persons shall be deemed to have control of a savings bank if
7 such person or group of persons:

8 (a) Directly or indirectly, or acting in concert with
9 one or more persons or through one or more subsidiaries, owns,
10 controls, holds the power to vote, or holds proxies
11 representing more than 25 percent of the voting common stock
12 of such savings bank.

13 (b) Controls in any manner the election of a majority
14 of the directors of such savings bank.

15 (c) Exercises a controlling influence over the
16 management or policies of such savings bank.

17 (d) Owns, controls, or has power to vote 10 percent or
18 more of any class of voting securities of the savings bank, if
19 no other person or group of persons owns, controls, or has
20 power to vote a greater proportion of that class of voting
21 securities. In any case in which a proposed purchase or
22 acquisition of voting securities of a savings bank would give
23 rise to the presumption created under this paragraph, the
24 person or group of persons who proposes to purchase or acquire
25 the voting securities shall first give written notice of the
26 proposal to the department. Such notice may present
27 information that the proposed purchase or acquisition will not
28 result in control. The department shall afford the person
29 seeking to rebut the presumption an opportunity to present
30 views in writing or orally before its designated
31 representatives at an informal conference.

1 (5)(a) A foreign savings bank, as defined in s.
2 667.013, whether controlled directly or indirectly by another
3 business organization, may acquire a Florida savings bank,
4 subject to approval by the department. The department shall
5 not approve the proposed acquisition unless:

6 1. The laws of the state in which the foreign savings
7 bank has its principal place of business permit savings banks
8 in that state to be acquired by Florida savings banks.

9 2. The Florida savings bank which is to be acquired
10 has been in existence and continuously operating for more than
11 2 years.

12 (b) The proposed acquisition shall be subject to any
13 conditions, restrictions, and requirements that would apply in
14 the state where the foreign savings bank has its principal
15 place of business if the foreign savings bank were to be
16 acquired by a Florida savings bank, which conditions,
17 restrictions, and requirements would not apply to the
18 acquisition by such foreign savings bank of another savings
19 bank in that state.

20 (c) This subsection does not apply to any merger by a
21 savings bank subject to s. 123 of Pub. L. No. 97-320.

22 667.009 Powers of savings bank generally.--Every
23 savings bank incorporated pursuant to or operating under the
24 provisions of the financial institutions codes shall have all
25 the powers enumerated, authorized, and permitted by this
26 chapter and such other rights, privileges, and powers as may
27 be incidental to or reasonably necessary or appropriate for
28 the accomplishment of the objectives and purposes of the
29 savings bank. Except as otherwise limited by the provisions of
30 the financial institutions codes, every savings bank shall
31 have the following powers:

1 (1) PROPERTY TRANSFERS.--To acquire, hold, sell,
2 dispose of, and convey real and personal estate consistent
3 with its objects and powers; to mortgage, pledge, or lease any
4 real or personal estate; and to take property by gifts,
5 devise, or bequest.

6 (2) SUBORDINATED DEBT.--To issue and sell, directly or
7 through underwriters, subordinated debt which shall represent
8 nonwithdrawable capital contributions and shall constitute
9 part of the equity capital of the savings bank. Such debt
10 shall have no voting rights; shall be subordinate to all
11 savings accounts, debt obligations, and claims of creditors of
12 the savings bank; and shall constitute a claim in liquidation
13 against any other equity capital account remaining after the
14 payment in full of all savings accounts, debt obligations, and
15 claims of creditors. Such subordinated debt shall be entitled
16 to the payment of earnings prior to the allocation of any
17 income to surplus or other equity capital accounts of the
18 savings bank and may be issued with a fixed rate of earnings
19 or with a prior claim to distribution of a specified
20 percentage of any net income remaining after required
21 allocations to reserves, or a combination thereof. Losses
22 shall be charged against subordinated debt only after other
23 equity capital accounts have been exhausted.

24 (3) SALE OF LOANS.--To sell with or without recourse
25 any loan, including any participating interests therein.

26 (4) SERVICING.--To service loans and investments for
27 others.

28 (5) AGENT.--To act as agent or escrowee for others in
29 any transaction incidental to the operation of its business.

30 (6) LIMITED TRUSTEESHIP.--To act, and receive
31 compensation therefor, as trustee of any trust created or

1 organized in the United States and forming a part of a stock
2 bonus, pension, or profit-sharing plan which qualifies or is
3 qualified for specific tax treatment under s. 401 of the
4 Internal Revenue Code of 1954, as amended, and to act as
5 trustee or custodian of an individual retirement account
6 within the meaning of s. 408 of such code if the funds of such
7 trust or account are invested only in savings accounts of such
8 savings bank or in obligations or securities issued by such
9 savings bank. All funds held in a fiduciary capacity by any
10 such savings bank under the authority of this subsection may
11 be commingled and consolidated for appropriate purposes of
12 investment, provided that records reflecting each separate
13 beneficial interest are maintained by the fiduciary unless
14 such responsibility is lawfully assumed by another appropriate
15 party.

16 (7) SCHOOL SAVINGS.--To contract with the proper
17 authorities of any public or nonpublic elementary or secondary
18 school or institution of higher learning, or any public or
19 charitable institution caring for minors, for the
20 participation and implementation by the savings bank in any
21 school or institutional thrift or savings plan, and to accept
22 savings accounts at such a school or institution, either by
23 its own collector or by any representative of the school or
24 institution which becomes the agent of the savings bank for
25 such purpose.

26 (8) PAYROLL SAVINGS.--To contract with any employer
27 with respect to the solicitation, collection, and receipt of
28 savings by payroll deduction to be credited to a designated
29 account or accounts of his or her or its employee or employees
30 who voluntarily may participate or with respect to the direct
31 deposit of wages or salary paid by such employer to the

1 account of the employee in a financial depository institution
2 by electronic or other medium upon authorization in writing by
3 the employee and his or her designation of the savings bank or
4 other financial depository institution as the recipient of
5 such deposits.

6 (9) DRAFTS.--To issue drafts and similar instruments
7 drawn on the savings bank to aid in effecting withdrawals and
8 for other purposes of the savings bank.

9 667.010 Loans.--On an annual average, based on monthly
10 computations, a savings bank shall have invested at least 50
11 percent of assets, other than liquid assets of a savings bank
12 invested in either real estate loans or interests therein on
13 home property or primarily residential property and not more
14 than 30 percent invested in loans for agricultural, business,
15 corporate, or commercial purposes.

16 667.011 Loan expenses.--Every savings bank may require
17 borrowers to pay all reasonable expenses incurred in
18 connection with the making, closing, disbursing, extending,
19 readjusting, or renewing of real estate loans. Without
20 limiting the generality of the foregoing, such expenses may
21 include appraisal, attorney, abstract, recording, and
22 registration fees; title examination; title insurance;
23 mortgage loan insurance; credit report; survey; drawing of
24 papers; escrow services; loan closing costs; and taxes or
25 charges imposed upon or in connection with the making and
26 recording of any loan. Every savings bank also may require
27 borrowers to pay the cost of all other necessary and
28 incidental services rendered by the savings bank or by others
29 in connection with real estate and other loans in such
30 reasonable amounts as may be fixed by the board of directors.
31 Without limiting the generality of the foregoing, such costs

1 may include the costs of services of inspectors, engineers,
2 and architects. Such initial charges may be collected by the
3 savings bank from the borrower and paid to any person,
4 including any director, officer, or employee of the savings
5 bank rendering such services, or paid directly by the
6 borrower. In lieu of such initial charges to cover such
7 expenses and costs, a savings bank may make a reasonable
8 charge, part or all of which may be retained by the savings
9 bank which renders such service or part or all of which may be
10 paid to others who render such services. The fees and charges
11 authorized by this chapter shall be in addition to interest
12 authorized by law and shall not be deemed to be a part of the
13 interest collected or agreed to be paid on such loans within
14 the meaning of any law of this state which limits the rate of
15 interest which may be exacted in any transaction. No director,
16 officer, or employee of a savings bank shall receive any fee
17 or other compensation of any kind in connection with procuring
18 any loan for a savings bank, except for services actually
19 rendered as provided in this section.

20 667.012 Dealing with successors in interest.--In the
21 case of any investment made by a savings bank in a real estate
22 loan, in the event the ownership of the real estate security
23 or any part thereof becomes vested in a person other than the
24 party or parties originally executing the security
25 instruments, and provided there is not an agreement in writing
26 to the contrary, a savings bank may, without notice to such
27 party or parties, deal with such successor or successors in
28 interest with reference to said mortgage and the debt thereby
29 secured in the same manner as with such party or parties, and
30 may forbear to sue or may extend time for payment of or
31 otherwise modify the terms of the debt secured thereby.

1 without discharging or in any way affecting the original
2 liability of such party or parties thereunder or upon the debt
3 thereby secured.

4 667.013 Foreign savings banks.--

5 (1) DEFINED.--For the purposes of this section, the
6 term "foreign savings bank" includes any domestic joint
7 venture, business trust, syndicate, firm, company, savings
8 bank, fiduciary, partnership, or corporation, and all other
9 groups or combinations, by whatever name called, actually
10 engaged in the business of a savings bank, the principal
11 business office of which is located outside the territorial
12 limits of this state.

13 (2) ACTION BY DEPARTMENT.--The department is
14 authorized, empowered, and directed to obtain an injunction or
15 to take any other action necessary to prevent any foreign
16 savings bank from unlawfully doing any business of a savings
17 bank in this state.

18 (3) ACTIVITIES NOT CONSIDERED "DOING BUSINESS."--For
19 the purposes of this section and any other law of this state
20 prohibiting, limiting, or regulating the doing of business in
21 this state by foreign savings banks or foreign corporations of
22 any type, any federal savings bank, the principal office of
23 which is located outside this state, and any foreign savings
24 bank which is subject to state or federal supervision, or
25 both, which by law are subject to periodic examination by such
26 supervisory authority and to a requirement of periodic audit,
27 shall not be considered to be doing business in this state by
28 reason of engaging in any of the following activities:

29 (a) The purchase, acquisition, holding, sale,
30 assignment, transfer, collecting, and enforcement of
31 obligations or any interest therein secured by real estate

1 mortgages or other instruments in the nature of a mortgage,
2 covering real property located in this state, or the
3 foreclosure of such instruments, or the acquisition of title
4 to such property by foreclosure, or otherwise, as a result of
5 default under such instruments, or the holding, protection,
6 rental, maintenance, and operation of the property so
7 acquired, or the disposition thereof, provided such savings
8 banks shall not hold, own, or operate such property for a
9 period exceeding 5 years without securing the approval of the
10 department.

11 (b) The advertising or solicitation of savings
12 accounts or the making of any representation with respect
13 thereto in this state through the medium of mail, radio,
14 television, magazines, or newspapers or any other medium which
15 is published or circulated within this state, provided that
16 such advertising, solicitation, or the making of such
17 representations is accurately descriptive of the facts.

18 Section 16. Effective July 1, 1997, subsection (3) is
19 added to section 737.101, Florida Statutes, to read:

20 737.101 Principal place of administration of trust;
21 duty to register trust.--

22 (3) Unless otherwise designated in the trust agreement
23 and notwithstanding any other provision of this section, the
24 principal place of administration of a trust, for which a
25 bank, association, or trust company organized under the laws
26 of this state or bank or savings association organized under
27 the laws of the United States with its main office in this
28 state has been appointed trustee, shall not be moved or
29 otherwise affected solely because the trustee engaged in an
30 interstate merger transaction with an out-of-state bank
31

1 pursuant to s. 658.2953 in which the out-of-state bank is the
 2 resulting bank.

3 Section 17. Effective July 1, 1997, banks or
 4 associations and trust companies resulting from an interstate
 5 merger transaction with a Florida bank pursuant to s.
 6 658.2953, Florida Statutes, and having trust powers are not
 7 prohibited from exercising any of the powers or duties and
 8 from acting in any of the capacities, within this state, as
 9 provided in s. 660.41, Florida Statutes. This section is
 10 repealed September 1, 1999.

11 Section 18. Paragraph (e) of subsection (6) of section
 12 658.295, Florida Statutes, as created by section 7 of chapter
 13 96-168, Laws of Florida, is hereby repealed.

14 Section 19. Except as otherwise provided in this act,
 15 this act shall take effect October 1, 1997.

16
 17 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
 18 COMMITTEE SUBSTITUTE FOR
 19 SB 410

20 Allows out-of-state banks with trust powers to act as a
 21 personal representative of an estate. Authorizes Florida banks
 22 to maintain trust powers when merging with an out-of-state
 23 bank.

24 Revises the definition of qualified public depository to
 25 clarify that out-of-state banks are eligible to become or
 26 remain qualified public depositories.
 27
 28
 29
 30
 31

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below)

Date: March 11, 1997 Revised: _____

Subject: Management and Regulation of Financial Institutions

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	Johnson <i>JS</i>	Deffenbaugh <i>DD</i>	BI	Favorable/CS
2.	_____	_____	WM	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The committee substitute revises the application fee structure and licensing process to provide incentives for well managed financial institutions by decreasing the amount of information that is required by the Department of Banking and Finance to review an application, as well as streamlining the review process.

The committee substitute authorizes a state savings bank charter which will give state and federally chartered institutions the option of converting to a charter carrying lower regulatory costs. Such a conversion will allow a credit union or a federally chartered mutual savings and loan association to maintain its mutual form of ownership as a savings bank.

The committee substitute allows out-of-state banks with trust powers to act as a personal representative of an estate, thereby placing an out-of-state bank on a level playing field with Florida banks in the provision of trust services. Florida banks are authorized to maintain trust powers when merging with an out-of-state bank.

The committee substitute revises the definition of qualified public depository to clarify that out-of-state banks are eligible to become or remain qualified public depositories.

This bill substantially amends the following sections of the Florida Statutes 280.02, 655.005, 655.0322, 655.045, 655.41, 655.414, 658.21, 658.23, 658.26, 658.295, 658.2953, 658.73, and 663.12. This bill creates the following sections of the Florida Statutes: 667.001, 667.002, 667.003, 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010, 667.011, 667.012, and 667.013.

II. Present Situation:

Section 655 005, F.S., defines a federal financial institution to mean a federally or nationally chartered or organized association, bank, or credit union. A financial institution is defined as a state or federal association, bank, trust company, international bank agency, representative office or international office, or credit union. The financial institutions codes include chapters 655 (financial institutions, generally), 657 (credit unions), 658 (banks and trusts), 660 (trust business), 663 (international banking corporations), and 665 (associations), Florida Statutes.

Section 655.0322, F.S., specifies prohibited acts and practices and criminal penalties for a financial institution, as defined in s. 655.50, F.S. The term, financial institution, is defined to include a state trust company, state or national bank, state or federal association, state or federal credit union, Edge Act or agreement corporation, international bank agency, representative office or administrative office or other business entity, as defined by the department by rule.

An Edge Act corporation is defined as a U.S. bank with domestic offices that is authorized to engage solely in international banking. An Edge Act corporation can take deposits only from non-U.S. residents. The powers of an Edge Act corporation and an agreement corporation are identical; however, an agreement corporation is foreign owned. Currently, there are 12 Edge Act corporations and one agreement corporation in Florida.

Section 655.045, F.S., requires a financial institution to submit a report, at least four times a year, to the department. The chief executive officer or any other officer designated by the board of directors, is required to include a declaration attesting that the report is true and correct. The report must include such information as the department requires by rule for that particular type of financial institution.

Section 655 41, F.S., relating to the procedures and requirements for cross-industry conversions, mergers, consolidations, and acquisitions, provides that a financial entity means an association, bank, credit union, or trust company organized under the laws of Florida and having its principal place of business in Florida.

Section 655.414, F.S., authorizes any financial entity to acquire all or substantially all of the assets of, or assume the liabilities of, any other financial entity in accordance with procedures and subject to certain conditions and limitations.

Section 658.21, F.S., establishes procedures and considerations for the department to use in evaluating and approving or disapproving an application. The department is authorized to approve the application if it finds that the public convenience and advantage will be promoted by the establishment of the proposed state bank or trust company. In making this determination, the department considers the growth rate, size, location, financial strength, and operating characteristics of financial institutions in the primary service area of the proposed bank or trust company, as well as the growth, economic, and demographic characteristics of the primary service area.

Section 658.23, F.S., requires that the articles of incorporation include the names and addresses of the first board of directors.

Section 658.26, F.S., authorizes any bank or trust company to establish branches upon approval by the department. A branch office in Florida, which has been in operation for at least 18 months may be relocated within Florida upon 30 days prior written notification to the department. The location of an office may not be moved beyond the limits of the county or counties in which the bank or trust company maintains authorized bank or trust company offices.

Section 658.295, F.S., relating to interstate banking acquisitions, requires parties involved in a transaction for which the department's approval is not required to provide the department with prior notification at least 15 days, generally, before the effective date of the acquisition.

Section 658.2953, F.S., relating to interstate branching, requires that an out of state bank desiring to establish and maintain a branch in Florida to provide the department with written notification of the proposed transaction within 15 days after the date on which the bank applies to the appropriate federal bank regulatory agency for approval to establish a branch. A filing fee is also required.

Section 658.73, F.S., authorizes the department to impose nonrefundable fees and assessments. Each application for authority to acquire a controlling interest in a state bank or trust company must be submitted with a \$7,500 fee. However, if more than one bank or trust company is being acquired in any such application, the fee is increased by \$3,500 for each additional bank or trust company. A fee of \$2,500 is required for each application to establish a branch of a state bank or state trust company. A \$7,500 fee is required to be submitted with each application for a merger or consolidation. However, if three or more banks or trust companies are involved, the fee is \$3,500 for each involved institution. An out of state holding company is required to submit a fee in the amount of \$7,500 for each application for acquisition.

Section 663.06, F.S., provides that an international banking corporation licensed to operate an office in Florida may generally engage in the business if a renewal license is obtained on an annual basis. However, the department is authorized to issue a license to an international banking corporation for an indefinite period if it finds that the entity has satisfied the requirements for renewal of its license and has held a license for the previous 3 years.

There are presently 82 international banking offices in Florida. Twenty-five nations are represented among those offices. The international banking industry in Florida now ranks second to New York in assets and deposits. But, it ranks first in trade services to Latin America, and it appears to be destined to build on that lead during the second half of the 1990s.

Section 663.12, F.S., authorizes the department to assess a nonrefundable filing fee of \$2,000 for the annual renewal of an existing license.

In recent years, 29 states have authorized financial institutions to convert to state savings banks. The savings bank was initially viewed as a means for a state or federally-chartered savings and loan association to convert to a charter that afforded lower regulatory costs than the Office of Thrift Supervision (OTS) of the United States Treasury Department. OTS has supervisory authority over state and federal associations. The conversion also allows associations to insure any new deposits into the association by the Federal Deposit Insurance Corporation Bank Insurance Fund, as opposed to the Savings Association Insurance Fund (SAIF). SAIF's premiums are substantially higher than the Bank Insurance Fund assessments.

Associations in other states have also used the savings bank charter option to maintain their mutual form of ownership when they convert from a federal to state charter. The mutual savings bank is owned by its depositors, in a manner similar to the way that credit unions are owned by the membership. In both instances, a portion of each depositor's, or member's initial deposit is allocated as a portion of capital. Additionally in both instances, annual profits can be distributed in the form of a dividend to depositors or members.

The Cabinet office of the Treasurer is established in s. 4, Art. IV, Fla. Const. The Treasurer is directed to keep all state funds and securities and to disburse state monies only upon the order of the Comptroller. Section 20.13, F.S., designates the Treasurer as the Insurance Commissioner, Treasurer, and State Fire Marshal and names the Treasurer as the head of the Department of Insurance. The law also directs the Treasurer to administer the Government Employees Deferred Compensation Plan through the Division of the Treasury.

Chapter 18, F.S., delineates many of the duties of the Treasurer. Among the duties assigned by law is the investment of state monies in excess of those needed to pay the immediate debts of the state. These excess funds include monies from the General Revenue Fund, trust accounts, and various other accounts of state agencies and other public and quasi-public entities. The law authorizes the Treasurer to charge a fee for managing excess state monies.

Pursuant to s. 18.10(2), F.S., the Treasurer is directed to invest these excess funds in qualified public depositories that will pay rates established by the Treasurer at levels not less than the prevailing rate for United States Treasury securities with a corresponding maturity. In the event additional money is available and qualified public depositories are unwilling to accept such money and pay the rates established by the Treasurer, then the Treasurer is authorized to invest the money in specific investment products.

The law also directs that Treasurer to establish qualifications in order to designate banks and savings and loan associations as qualified public depositories. Chapter 280, F.S., outlines the procedures a financial institution must follow in order to be designated as a qualified public depository. A qualified public depository is defined to mean any bank or savings association that is organized and existing under the laws of Florida and any bank or savings association that has its principal place of business in Florida or has a branch office which is authorized under the laws of Florida or of the United States to receive deposits and meets the criteria to be designated as a qualified public depository.

In order to qualify as a qualified public depository, a financial institution must provide specific information to the Department of Insurance describing the assets of the institution. A qualified public depository is also required to collateralize a specified portion of the public monies on deposit so that the designated portion of the public deposits is immediately available should the need arise. The percentage of public funds that a financial institution must collateralize varies depending upon the assets of the institution, among other requirements.

III. Effect of Proposed Changes:

Section 1. Amends s. 280 02, F.S., relating to the definition of qualified public depository to mean any bank, savings bank, or savings association that is organized and exists under the laws of the United States, the laws of Florida, or any other state and has its principal place of business in Florida or has a branch office in Florida which is authorized under the laws of Florida or the United States to receive deposits in Florida.

Section 2. Amends s. 655.005, F.S., relating to definitions, as used in the financial institutions codes, to expand the definition of federal financial institution, financial institution, and financial institution codes to include savings bank.

Section 3. Amends s. 655 0322, F.S., relating to prohibited acts and practices, to revise the definition of financial institution to include state or federal savings banks.

Section 4. Amends s. 655.045, F.S., relating to examinations, reports, and internal audits, to delete the requirement that each such report must contain a declaration by the chief executive officer or any other officer authorized by the board of directors to make such declaration that the report is true and correct to the best of his knowledge and belief. The department, by rule, now accesses this quarterly data through the Federal Deposit Insurance Corporation, thus eliminating the need for a separate written report.

Section 5. Amends s. 655.41, F.S., relating to cross-industry conversions, mergers, consolidations, and acquisitions, to revise the definition of financial entity to include savings bank, or Edge Act or agreement corporations organized under the laws of Florida or organized under the laws of the United States and having its principal place of business in Florida. Broadening the definition of financial entity will clarify the ability of Edge Act banks and agreement corporations to convert to full-service commercial banks.

Section 6. Amends 655.414, F.S., relating to acquisitions of assets and assumption of liabilities to require any financial entity that is acquiring all or substantially all of the assets or liabilities of another financial entity to obtain the prior approval of the Department of Banking and Finance and meet any such conditions the department prescribes by rule. Once approval by the board of directors is obtained, each participating financial entity is required to submit to the department a completed application with a nonrefundable filing fee.

Section 7. Amends s. 658.21, F.S., relating to the approval of applications, to revise the requirements for approving an application and factors the department evaluates in making this determination.

Section 8. Amends s. 658.23, F.S., relating to submission of articles of incorporation, to clarify that the articles of incorporation must include the names of addresses of the initial board of directors.

Section 9. Amends s. 658.26, F.S., relating to places of transacting business, to authorize the department to deem approved a branch application that is not denied within 10 working days of receipt and is filed by a "strong, well-managed state bank or trust company," unless the department formally notifies the financial institution that the received application was incomplete.

The term, "strong, well-managed state bank or trust company," is defined to mean a well-capitalized institution that has been in operation for at least two years, has received a satisfactory rating at its most recent state or federal safety and soundness examination, and is not the subject of any enforcement action.

This section also authorizes an office in Florida to relocate with prior written approval of the department. Once the application for relocation and nonrefundable filing fee are received, the department is authorized to conduct an investigation to determine substantial compliance by the financial institution with applicable laws governing its operation.

An application filed by a strong, well-managed state bank or trust company that is not denied within 10 working days of receipt is deemed approved unless the department formally notifies the financial institution in writing that the received application is incomplete.

If a financial institution, having its main office in Florida, submits an application to relocate, and it has been in operation for less than two years, the financial institution must substantiate that the criteria of s. 658.21(1) will still be met.

Notification procedures are also established for the consolidation of two branch offices, as well as closure of a branch office.

Section 10. Amends s. 658.295, F.S. (1996 Supplement), relating to interstate banking permitted acquisitions, to eliminate the formal notification requirement to the department before the effective date of a transaction for which the department's approval is not required.

Section 11. Amends s. 658.2953, F.S. (1996 Supplement), relating to interstate branching, to eliminate the filing fee and formal notification requirement for an out of state bank seeking to establish a branch in Florida to provide to the department within 15 days after the date on which the bank applies to the appropriate federal bank regulatory agency for approval.

Section 12. Amends s. 658.73, F.S. (1996 Supplement), relating to fees and assessments, to cap the total amount of fees, in the amount of \$15,000, that may be charged for the acquisition of multiple banks or trust companies.

The fee for a branch application for a state bank or a state trust company, as defined in s. 658.26, F.S., is reduced from \$2,500 to \$750. The department is authorized to charge all other banks and trust companies \$1,500 for each branch application.

The total fee for a merger or consolidation of banks or trust companies is capped at \$15,000.

A \$250 application fee for the relocation of a strong, well-managed bank or trust company main office is created. All other state banks or trust companies are required to submit a fee of \$700 for each application for relocation of the bank's or trust's company's main office.

The application fee for the acquisition of assets and assumption of liabilities is reduced to \$2,500. However, if as a result of the application more than 10 branch offices will be created within Florida, an application fee of \$100 for each additional branch office is required.

The department is authorized to refund up to 50 percent of an application fee if an application is withdrawn prior to publication in the Florida Administrative Weekly.

Section 13. Amends s. 663.06, F.S., relating to licenses and permissible activities, to authorize an international banking corporation operating in Florida to engage in the business authorized by the license for an indefinite period of time.

Section 14. Amends s. 663.12, F.S., relating to fees, assessments, and fines, to establish a \$2,000 annual filing fee for an international representative office or international administrative office. In addition, each international bank agency, international branch, and state-chartered investment company is required to pay a minimum semiannual assessment fee of \$1,000 for costs incurred by the department in supervising international banking activities.

Section 15. Creates ss. 667.001 - .013, F.S., entitled the "Florida Savings Bank Act." The terms, capital stock, dwelling unit, earnings, home property, liquid assets, net income, primarily residential property, real estate loan, savings bank, savings liability, state savings bank, and stockholder are defined in ss. 667.002, F.S. A savings bank is defined to mean a capital stock or mutual savings bank subject to the provisions of this act.

The applicability of the financial institutions codes (chapters 655 and 658, F.S.) to the regulation of state savings banks is clarified in s. 667.003, F.S. It is the intent of this legislation that certain delineated provisions of the code are applicable to a savings bank to the same extent as if the savings bank were operating as a bank.

Section 667.004, F.S., requires every savings bank to include the term, "savings bank," in its name and prohibits a savings bank from use of the terms "National," "Federal," "United States," "insured," or "guaranteed," as part of the corporate name.

Section 667.005, F.S., establishes requirements for a savings bank to reorganize, merge, or consolidate with a foreign savings bank. If the resulting or surviving savings bank will be a foreign savings bank, the department is not authorized to approve the proposed transaction unless the laws of the state of the foreign savings bank has its principal place of business permit savings bank in that state to reorganize, merge, or consolidate with a Florida savings bank in transactions in which the resulting or surviving savings bank is a Florida savings bank and the Florida savings bank has been in existence and continuously operating for more than two years.

An nonrefundable filing fee, as provided by s. 658.73(2)(g), F.S., is required to be submitted with each application for reorganization, merger, or consolidation with a foreign savings bank.

Section 667.006, establishes procedures and requirements for a conversion of a state or federal mutual savings bank or state or federal mutual association to a capital stock savings bank. The board of directors are required to approve a plan of conversion by a resolution adopted by a majority vote. The plan of conversion must include financial statements and other financial data necessary for evaluating compliance with applicable regulatory requirements relating to financial condition, pro forma financial statements of the savings bank as a capital stock bank, business purpose of the conversion, and other information as the department may require by rule. In addition, the plan must provide that each savings account holder of the mutual savings bank will receive an equivalent amount in a withdrawable account in the capital stock savings bank and each member of record will be entitled to receive rights to purchase voting common stock.

If the plan of conversion is approved by the department, a consideration of the conversion may be submitted to the members at a meeting. Generally, a vote of 51 percent or more of the total number of votes eligible to be cast is required for approval. Procedures for noticing the meeting are specified. Subsequently, the verified copies of the minutes must be filed with the department.

The proposed articles of incorporation, an application for conversion, and a firm commitment for, or evidence of, insurance of deposits and other accounts of a withdrawable type are required to be filed with the department. Once approved by the department, a copy of the articles of incorporation must be filed with the Department of State.

A nonrefundable filing fee of \$7,500 is required to be submitted with an application for conversion from a state or federal mutual to a state capital stock savings bank. The department is also authorized to assess any savings bank applying to convert a nonrefundable examination fee to cover the actual costs of any examination required as part of the examination process.

Section 667.007, F.S., authorizes the department to take certain actions in the event the department determines that a state or federal savings bank is a supervisory case. The department is authorized to issue an emergency order for the: (1) conversion of the savings bank from a state

to a federal charter, or vice versa, (2) reorganization, merger, or consolidation, (3) conversion of the state or federal savings bank into a state or federal capital stock savings bank; or (4) acquisition of the failing savings bank by any state or federal savings bank.

Section 667.008, F.S., establishes procedures, requirements, and fees for the acquisition of assets of or control over a savings bank. A nonrefundable filing fee of \$7,500 is required to be submitted with the application for control. However, if more than one savings bank is being acquired in any application, the fee must be increased by \$3,000 for each additional savings bank.

Section 667.009, F.S., delineates the powers of a savings bank, except as otherwise limited by the provisions of the financial institution codes, to include: property transfer, subordinated debt, sales of loans, servicing of loans, limited trusteeship, school savings, payroll savings, and drafts.

Section 667.010, F.S., requires a savings bank to have at least 50 percent of its assets, other than liquid assets, invested in either real estate loans or interests on home property or primarily residential property and not more than 30 percent invested in loans for agricultural, business, corporate, or commercial purposes. The allocation of assets is calculated on an annual basis, based on monthly computations.

Section 667.011, F.S., authorizes a savings bank to require borrowers to pay all reasonable expenses incurred in connection with making, closing, disbursing, extending, readjusting, or renewing a real estate loan.

Section 667.012, F.S., authorizes the savings bank to deal with a successor in interest with reference to a mortgage and the debt.

Section 667.013, F.S., defines foreign savings bank to mean any domestic joint venture, business trust, syndicate, firm, company, savings bank, fiduciary, partnership, or corporation, and all other groups or combinations, actually engaged in the business of a savings bank with the principal place of business located outside of Florida.

The department is authorized to take any action necessary to prevent any foreign savings bank from unlawfully engaging in the business of a savings bank in this state. Certain activities delineated are not considered to be conducting business in Florida.

Section 16. Amends s. 737.101, F.S., relating to principal place of administration of trust, to allow a trust company organized under the laws of Florida or bank or savings association organized under the laws of the United States with its main office in Florida to not be affected solely because the trustee engaged in an interstate merger transaction with an out-of-state bank pursuant to s. 668.2953, F.S., in the out-of-state bank is the resulting bank.

Section 17. Effective July 1, 1997, banks or associations and trust companies resulting from an interstate merger transaction with a Florida bank, pursuant to s. 658.2953, F.S., and having trust

powers are not prohibited from exercising any of the powers and from acting in any of the capacities, within this state, as provided in s. 660.41, F.S. This provision is repealed, effective September 1, 1999

Section 18. Repeals paragraph (e) of subsection (6) of s. 658.295, F.S., as created by section 7 of chapter 96-168, L.O.F.

Section 19. Provides that this act shall take effect October 1, 1997, except as otherwise provided.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Strong, well-managed financial institutions filing applications with the department should realize a cost saving, as well as a faster turnaround for application processing.

C. Government Sector Impact:

The overall fiscal impact of this bill are indeterminate at this time due to the uncertainty as to which institutions will qualify for fee reductions, and the projected fee income from office relocations and conversions. Overall the department anticipates a decrease in recurring annual fees of approximately \$175,000.

A positive, indeterminate fiscal impact may result from the implementation of the streamlined review process for institutions designated as strong, well-managed financial institutions.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
SB 410

Allows out-of-state banks with trust powers to act as a personal representative of an estate. Authorizes Florida banks to maintain trust powers when merging with an out-of-state bank.

Revises the definition of qualified public depository to clarify that out-of-state banks are eligible to become or remain qualified public depositories.

Committee on Banking and Insurance

Staff Director *Brian Deffenbaugh*

(FILE TWO COPIES WITH THE SECRETARY OF THE SENATE)