

CHAPTER 2018-48

Committee Substitute for Committee Substitute for House Bill No. 455

An act relating to governance of banks and trust companies; amending s. 658.21, F.S.; revising requirements relating to the financial institution experience of certain proposed directors and officers of a proposed bank or trust company; amending s. 658.33, F.S.; revising the residency requirement for certain directors of a bank or trust company; revising requirements relating to the financial institution experience of certain officers of a bank or trust company; amending s. 658.67, F.S.; revising instances during which a bank may not own certain stock, obligations, and other securities; providing an effective date.

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

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

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

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

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

658.33 Directors, number, qualifications; officers.—

(2) Not less than a majority of the directors must, during their whole term of service, be citizens of the United States, and at least a majority ~~three-fifths~~ of the directors must have resided in this state for at least 1 year preceding their election and must be residents therein during their continuance in office. In the case of a bank or trust company with total assets of less than \$150 million, at least one, and in the case of a bank or trust company with total assets of \$150 million or more, two of the directors who are not also officers of the bank or trust company must have had at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the last 5 ~~3~~ years.

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

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

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

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

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

Approved by the Governor March 21, 2018.

Filed in Office Secretary of State March 21, 2018.