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HB 7009

2014 Legislature

1
2 An act relating to security for public deposits;
3 amending s. 280.02, F.S.; revising definitions;
4 amending s. 280.03, F.S.; clarifying provisions
5 exempting public deposits from state security
6 requirements; amending s. 280.04, F.S.; revising the
7 collateral-pledging level for public deposits;
8 amending s. 280.05, F.S.; conforming provisions to
9 changes made by the act; amending s. 280.051, F.S.;
10 updating terms; repealing s. 280.071, F.S., relating
11 to the Qualified Public Depository Oversight Board;
12 amending s. 280.085, F.S.; providing that a notice of
13 the default or insolvency of a qualified public
14 depository is not required under certain
15 circumstances; amending s. 280.10, F.S.; requiring
16 information from a nonqualified bank, savings bank, or
17 savings association that acquires public depository by
18 default or insolvency; amending s. 280.11, F.S.;
19 conforming cross-references; amending s. 280.16, F.S.;
20 deleting certain provisions relating to required
21 reports and forms; amending s. 280.17, F.S.; revising
22 notice requirements for public depositors; revising
23 restrictions on loss protection provisions in certain
24 circumstances in which a public depositor fails to
25 comply with the notice requirements; providing an
26 effective date.

Page 1 of 23

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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ENROLLED

HB 7009

2014 Legislature

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

Section 1. Section 280.02, Florida Statutes, is amended to read:

280.02 Definitions.—As used in this chapter, the term:

(1) "Affiliate" means an entity that is related through a parent corporation's controlling interest. The term also includes a ~~any~~ financial institution holding company or a ~~any~~ subsidiary or service corporation of such holding company.

(2) "Alternative participation agreement" means an agreement of restrictions that a qualified public depository completes as an alternative to ~~immediately~~ withdrawing from the public deposits program due to financial condition.

(3) "Average daily balance" means the average daily balance of public deposits held during the reported month. The average daily balance shall ~~must~~ be determined by totaling, by account, the daily balances held by the depositor and ~~then~~ dividing the total by the number of calendar days in the month. Deposit insurance is then deducted from each account balance and the resulting amounts are totaled to obtain the average daily balance.

(4) "Average monthly balance" means the average monthly balance of public deposits held, ~~before deducting deposit insurance,~~ by the depository during any 12 calendar months. The average monthly balance of the previous 12 calendar months shall

ENROLLED

HB 7009

2014 Legislature

53 ~~must~~ be determined by adding the average daily balance ~~before~~
 54 ~~deducting deposit insurance~~ for the reported month and the
 55 average daily balances ~~before deducting deposit insurance~~ for
 56 the 11 months preceding that month and dividing the total by 12.

57 (5) "Book-entry form" means that securities are not
 58 represented by a paper certificate but represented by an account
 59 entry on the records of a depository trust clearing system or,
 60 in the case of United States Government securities, a Federal
 61 Reserve Bank.

62 ~~(26)-(6)~~ "Capital account" or "tangible equity capital"
 63 means total equity capital, as defined on the balance-sheet
 64 portion of the Consolidated Reports of Condition and Income
 65 (call report) ~~or the Thrift Financial Report~~, less intangible
 66 assets, as submitted to the regulatory banking authority.

67 (7) "Collateral-pledging level," ~~for qualified public~~
 68 ~~depositories,~~ means the percentage of collateral required to be
 69 pledged by a qualified public depository as provided under ~~in~~ s.
 70 280.04 ~~by a financial institution.~~

71 (8) "Current month" means the month immediately following
 72 the month for which the monthly report is due from qualified
 73 public depositories.

74 (9) "Custodian" means the Chief Financial Officer or a ~~any~~
 75 bank, savings association, or trust company that:

76 (a) Is organized and existing under the laws of this
 77 state, any other state, or the United States;

78 (b) Has executed all forms required under this chapter or

ENROLLED

HB 7009

2014 Legislature

79 any rule adopted hereunder;

80 (c) Agrees to be subject to the jurisdiction of the courts
81 of this state, or of the courts of the United States which are
82 located within this state, for the purpose of any litigation
83 arising out of this chapter; and

84 (d) Has been approved by the Chief Financial Officer to
85 act as a custodian.

86 (10) "Default or insolvency" includes, without limitation,
87 the failure or refusal of a qualified public depository to pay a
88 ~~any~~ check or warrant drawn upon sufficient and collected funds
89 by a ~~any~~ public depositor or to return a ~~any~~ deposit on demand
90 or at maturity together with interest as agreed; the issuance of
91 an order by a ~~any~~ supervisory authority restraining such
92 depository from making payments of deposit liabilities; or the
93 appointment of a receiver for such depository.

94 (11) "Effective date of notice of withdrawal or order of
95 discontinuance" pursuant to s. 280.11(3) means that date which
96 is set out as such in any notice of withdrawal or order of
97 discontinuance from the Chief Financial Officer.

98 (12) "Eligible collateral" means securities, Federal Home
99 Loan Bank letters of credit, and cash, as designated in s.
100 280.13.

101 (13) "Financial institution" means, including, but not
102 limited to, an association, bank, brokerage firm, credit union,
103 industrial savings bank, savings and loan association, trust
104 company, or other type of financial institution organized under

ENROLLED

HB 7009

2014 Legislature

105 the laws of this state or any other state of the United States
 106 and doing business in this state or any other state, in the
 107 general nature of the business conducted by banks and savings
 108 associations.

109 (14) "Governmental unit" means the state or any county,
 110 school district, community college district, state university,
 111 special district, metropolitan government, or municipality,
 112 including any agency, board, bureau, commission, and institution
 113 of any of such entities, or any court.

114 (15) "Loss to public depositors" means loss of all
 115 principal and all interest or other earnings on the principal
 116 accrued or accruing as of the date the qualified public
 117 depository was declared in default or insolvent.

118 (16) "Market value" means the value of collateral
 119 calculated pursuant to s. 280.04.

120 (17) "Operating subsidiary" means the qualified public
 121 depository's 100-percent owned corporation that has ownership of
 122 pledged collateral. The operating subsidiary may not have ~~no~~
 123 powers beyond those that its parent qualified public depository
 124 may itself exercise. The use of an operating subsidiary is at
 125 the discretion of the qualified public depository and must meet
 126 the Chief Financial Officer's requirements.

127 ~~(18) "Oversight board" means the qualified public~~
 128 ~~depository oversight board created in s. 280.071 for the purpose~~
 129 ~~of safeguarding the integrity of the public deposits program and~~
 130 ~~preventing the realization of loss assessments through~~

ENROLLED

HB 7009

2014 Legislature

131 ~~standards, policies, and recommendations for actions to the~~
 132 ~~Chief Financial Officer.~~

133 (18)~~(19)~~ "Pledged collateral" means securities or cash
 134 held separately and distinctly by an eligible custodian for the
 135 benefit of the Chief Financial Officer to be used as security
 136 for Florida public deposits. This includes maturity and call
 137 proceeds.

138 (19)~~(20)~~ "Pledgor" means the qualified public depository
 139 and, if one is used, operating subsidiary.

140 (20)~~(21)~~ "Pool figure" means the total average monthly
 141 balances of public deposits held by all qualified public
 142 depositories during the immediately preceding 12-month period.

143 (21)~~(22)~~ "Previous month" means the month or months
 144 immediately preceding the month for which a monthly report is
 145 due from qualified public depositories.

146 (22)~~(23)~~ "Public deposit" means the moneys of the state or
 147 of any state university, county, school district, community
 148 college district, special district, metropolitan government, or
 149 municipality, including agencies, boards, bureaus, commissions,
 150 and institutions of any of the foregoing, or of any court, and
 151 includes the moneys of all county officers, including
 152 constitutional officers, which ~~that~~ are placed on deposit in a
 153 bank, savings bank, or savings association ~~and for which the~~
 154 ~~bank, savings bank, or savings association is required to~~
 155 ~~maintain reserves~~. This includes, but is not limited to, time
 156 deposit accounts, demand deposit accounts, and nonnegotiable

ENROLLED

HB 7009

2014 Legislature

157 certificates of deposit. Moneys in deposit notes and in other
 158 nondeposit accounts such as repurchase or reverse repurchase
 159 operations are not public deposits. Securities, mutual funds,
 160 and similar types of investments are not ~~considered~~ public
 161 deposits and are ~~shall~~ not be subject to ~~the provisions of~~ this
 162 chapter.

163 (23) ~~(24)~~ "Public depositor" means the official custodian
 164 of funds for a governmental unit who is responsible for handling
 165 public deposits.

166 (24) ~~(25)~~ "Public deposits program" means the Florida
 167 Security for Public Deposits Act contained in this chapter and
 168 any rule adopted under this chapter.

169 (25) ~~(26)~~ "Qualified public depository" means a ~~any~~ bank,
 170 savings bank, or savings association that:

171 (a) Is organized and exists under the laws of the United
 172 States or ~~the~~ laws of this state or any other state or
 173 territory of the United States.

174 (b) Has its principal place of business in this state or
 175 has a branch office in this state which is authorized under the
 176 laws of this state or of the United States to receive deposits
 177 in this state.

178 (c) Has deposit insurance pursuant to ~~under the provision~~
 179 ~~of~~ the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.
 180 1811 et seq.

181 (d) Has procedures and practices for accurate
 182 identification, classification, reporting, and collateralization

ENROLLED

HB 7009

2014 Legislature

183 of public deposits.

184 (e) Meets all the requirements of this chapter.

185 (f) Has been designated by the Chief Financial Officer as
186 a qualified public depository.

187 ~~(26)-(27)~~ "Reported month" means the month for which a
188 monthly report is due from qualified public depositories.

189 ~~(27)-(28)~~ "Required collateral" of a qualified public
190 depository means eligible collateral having a market value equal
191 to or in excess of the amount required under ~~pursuant to~~ s.
192 280.04.

193 ~~(28)-(29)~~ "Chief Financial Officer's custody" is a
194 collateral arrangement governed by a contract between a
195 designated Chief Financial Officer's custodian and the Chief
196 Financial Officer. This arrangement requires that collateral ~~to~~
197 be in the Chief Financial Officer's name in order to perfect the
198 security interest.

199 ~~(29)-(30)~~ "Triggering events" are events set out in s.
200 280.041 which give the Chief Financial Officer the right to:

201 (a) Instruct the custodian to transfer securities pledged,
202 interest payments, and other proceeds of pledged collateral not
203 previously credited to the pledgor.

204 (b) Demand payment under letters of credit.

205 Section 2. Paragraph (e) of subsection (3) of section
206 280.03, Florida Statutes, is amended to read:

207 280.03 Public deposits to be secured; prohibitions;
208 exemptions.—

ENROLLED

HB 7009

2014 Legislature

209 (3) The following are exempt from the requirements of, and
 210 protection under, this chapter:

211 (e) Public deposits that ~~which~~ are fully secured by a
 212 collateral requirement under federal regulations.

213 Section 3. Subsections (1) and (2) of section 280.04,
 214 Florida Statutes, are amended to read:

215 280.04 Collateral for public deposits; general
 216 provisions.—

217 (1) The Chief Financial Officer shall determine the
 218 collateral requirements and collateral-pledging ~~collateral~~
 219 ~~pledging~~ level for each qualified public depository following
 220 procedures established by rule. These procedures must ~~shall~~
 221 include numerical parameters for 25-percent, 50-percent, 110-
 222 percent ~~125-percent~~, and 150-percent ~~200-percent~~ pledge levels
 223 based on nationally recognized financial rating services
 224 information and established financial performance guidelines.

225 (2) A qualified public depository may not accept or retain
 226 any public deposit ~~which is~~ required to be secured unless it
 227 deposits ~~has deposited~~ with the Chief Financial Officer eligible
 228 collateral at least equal to the greater of:

229 (a) The average daily balance of public deposits that does
 230 not exceed the lesser of its tangible equity capital ~~account~~ or
 231 20 percent of the pool figure multiplied by the depository's
 232 collateral-pledging level, plus the greater of:

233 1. One hundred ten ~~twenty-five~~ percent of the average
 234 daily balance of public deposits in excess of its tangible

ENROLLED

HB 7009

2014 Legislature

235 equity capital accounts; or
 236 2. One hundred ten ~~twenty-five~~ percent of the average
 237 daily balance of public deposits in excess of 20 percent of the
 238 pool figure.

239 (b) Twenty-five percent of the average monthly balance of
 240 public deposits.

241 (c) One hundred ten ~~twenty-five~~ percent of the average
 242 daily balance of public deposits if the qualified public
 243 depository:

244 1. Has been established for less than 3 years;

245 2. Has experienced material decreases in its tangible
 246 equity capital accounts; or

247 3. Has an overall financial condition that is materially
 248 deteriorating.

249 (d) One ~~Two~~ hundred fifty percent of an established
 250 maximum amount of public deposits which ~~that~~ has been mutually
 251 agreed upon by and between the Chief Financial Officer and the
 252 qualified public depository.

253 (e) Minimum required collateral of \$100,000.

254 (f) An amount as required in special instructions from the
 255 Chief Financial Officer to protect the integrity of the public
 256 deposits program.

257 Section 4. Present subsections (1), (2), (3), and (16) of
 258 section 280.05, Florida Statutes, are amended, and present
 259 subsections (4) through (15) and (17) through (20) are
 260 renumbered as subsections (1) through (12) and (14) through

ENROLLED

HB 7009

2014 Legislature

261 (17), respectively, to read:

262 280.05 Powers and duties of the Chief Financial Officer.—
 263 In fulfilling the requirements of this act, the Chief Financial
 264 Officer has the power to take the following actions he or she
 265 deems necessary to protect the integrity of the public deposits
 266 program:

267 ~~(1) Identify representative qualified public depositories~~
 268 ~~and furnish notification for the qualified public depository~~
 269 ~~oversight board selection pursuant to s. 280.071.~~

270 ~~(2) Provide data for the qualified public depository~~
 271 ~~oversight board duties pursuant to s. 280.071 regarding:~~

272 ~~(a) Establishing standards for qualified public~~
 273 ~~depositories and custodians.~~

274 ~~(b) Evaluating requests for exceptions to standards and~~
 275 ~~alternative participation agreements.~~

276 ~~(c) Reviewing and recommending action for qualified public~~
 277 ~~depository or custodian violations.~~

278 ~~(3) Review, implement, monitor, evaluate, and modify all~~
 279 ~~or any part of the standards, policies, or recommendations of~~
 280 ~~the qualified public depository oversight board.~~

281 (13) ~~(16)~~ Require the filing of the following reports,
 282 which the Chief Financial Officer shall process as provided:

283 (a) Qualified public depository monthly reports and
 284 schedules. The Chief Financial Officer shall review the reports
 285 of each qualified public depository for material changes in
 286 tangible equity capital accounts or changes in name, address, or

ENROLLED

HB 7009

2014 Legislature

287 type of institution; record the average daily balances of public
288 deposits held; and monitor the collateral-pledging levels and
289 required collateral.

290 (b) Quarterly regulatory reports from qualified public
291 depositories. The Chief Financial Officer shall analyze
292 qualified public depositories ranked in the lowest category
293 based on established financial condition criteria.

294 (c) Qualified public depository annual reports and public
295 depositor annual reports. The Chief Financial Officer shall
296 compare public deposit information reported by qualified public
297 depositories and public depositors. Such comparison shall be
298 conducted for qualified public depositories that ~~which~~ are
299 ranked in the lowest category based on established financial
300 condition criteria of record on September 30. Additional
301 comparison processes may be performed as public deposits program
302 resources permit.

303 (d) Any related documents, reports, records, or other
304 information deemed necessary by the Chief Financial Officer in
305 order to ascertain compliance with this chapter.

306 Section 5. Subsections (2), (6), and (12) of section
307 280.051, Florida Statutes, are amended to read:

308 280.051 Grounds for suspension or disqualification of a
309 qualified public depository.—A qualified public depository may
310 be suspended or disqualified or both if the Chief Financial
311 Officer determines that the qualified public depository has:

312 (2) Submitted reports containing inaccurate or incomplete

ENROLLED

HB 7009

2014 Legislature

313 information regarding public deposits or collateral for such
 314 deposits, tangible equity capital accounts, or the calculation
 315 of required collateral.

316 (6) Failed to furnish the Chief Financial Officer with
 317 prompt and accurate information, or failed to allow inspection
 318 and verification of any information, dealing with public
 319 deposits or dealing with the exact status of its tangible equity
 320 capital ~~accounts~~, or ~~any~~ other financial information that the
 321 Chief Financial Officer determines necessary to verify
 322 compliance with this chapter or any rule adopted pursuant to
 323 this chapter.

324 (12) Failed to execute or have the custodian execute a
 325 collateral control public depository pledge agreement before
 326 ~~prior to~~ using a custodian.

327 Section 6. Section 280.071, Florida Statutes, is repealed.

328 Section 7. Section 280.085, Florida Statutes, is amended
 329 to read:

330 280.085 Notice to claimants.—

331 (1) Upon determining the default or insolvency of a
 332 qualified public depository, the Chief Financial Officer shall
 333 notify, by first-class mail, all public depositors that have
 334 complied with s. 280.17 of such default or insolvency. The
 335 notice must ~~shall~~ direct all public depositors having claims or
 336 demands against the Public Deposits Trust Fund occasioned by the
 337 default or insolvency to file their claims with the Chief
 338 Financial Officer within 30 days after the date of the notice.

ENROLLED

HB 7009

2014 Legislature

339 (2) A ~~No~~ claim against the Public Deposits Trust Fund is
 340 binding on the fund only if ~~unless~~ presented within 30 days
 341 after the date of the notice.

342 (3) This section does not affect any proceeding to:

343 (a) Enforce any real property mortgage, chattel mortgage,
 344 security interest, or other lien on property of a qualified
 345 public depository that is in default or insolvency; or

346 (b) Establish liability of a qualified public depository
 347 that is in default or insolvency to the limits of any federal or
 348 other casualty insurance protection.

349 (4) The notice required in subsection (1) is not required
 350 if the default or insolvency of a qualified public depository is
 351 resolved in a manner in which all Florida public deposits are
 352 acquired by another insured bank, savings bank, or savings
 353 association.

354 Section 8. Present subsections (3) through (6) of section
 355 280.10, Florida Statutes, are renumbered as subsection (4)
 356 through (7), respectively, and a new subsection (3) is added to
 357 that section, to read:

358 280.10 Effect of merger, acquisition, or consolidation;
 359 change of name or address.—

360 (3) If the default or insolvency of a qualified public
 361 depository results in acquisition of all or part of its Florida
 362 public deposits by a bank, savings bank, or savings association
 363 that is not a qualified public depository, the bank, savings
 364 bank, or savings association acquiring the Florida public

ENROLLED

HB 7009

2014 Legislature

365 deposits is subject to subsection (1).

366 Section 9. Subsection (3) of section 280.11, Florida
367 Statutes, is amended to read:

368 280.11 Withdrawal from public deposits program; return of
369 pledged collateral.—

370 (3) A qualified public depository which is required to
371 withdraw from the public deposits program pursuant to s.
372 280.05(17) ~~280.05(1)(b)~~ shall not receive or retain public
373 deposits after the effective date of withdrawal. The contingent
374 liability, required collateral, and reporting requirements of
375 the withdrawing depository shall continue until the effective
376 date of withdrawal. Notice of withdrawal (order of
377 discontinuance) from the Chief Financial Officer shall be mailed
378 to the qualified public depository by registered or certified
379 mail. Penalties incurred because of withdrawal from the public
380 deposits program shall be the responsibility of the withdrawing
381 depository.

382 Section 10. Section 280.16, Florida Statutes, is amended
383 to read:

384 280.16 Requirements of qualified public depositories;
385 confidentiality.—

386 (1) In addition to any other requirements specified in
387 this chapter, qualified public depositories shall:

388 (a) Take the following actions for each public deposit
389 account:

390 1. Identify the account as a "Florida public deposit" on

ENROLLED

HB 7009

2014 Legislature

391 the deposit account record with the name of the public depositor
392 or provide a unique code for the account for such designation.

393 2. When the form prescribed by the Chief Financial Officer
394 for acknowledgment of receipt of each public deposit account is
395 presented to the qualified public depository by the public
396 depositor opening an account, the qualified public depository
397 shall execute and return the completed form to the public
398 depositor.

399 3. When the acknowledgment of receipt form is presented to
400 the qualified public depository by the public depositor due to a
401 change of account name, account number, or qualified public
402 depository name on an existing public deposit account, the
403 qualified public depository shall execute and return the
404 completed form to the public depositor within 45 calendar days
405 after such presentation.

406 4. When the acknowledgment of receipt form is presented to
407 the qualified public depository by the public depositor on an
408 account existing before July 1, 1998, the qualified public
409 depository shall execute and return the completed form to the
410 public depositor within 45 calendar days after such
411 presentation.

412 (b) Within 15 days after the end of each calendar month,
413 or when requested by the Chief Financial Officer, submit to the
414 Chief Financial Officer a written report, under oath, indicating
415 the average daily balance of all public deposits held by it
416 during the reported month, required collateral, a detailed

ENROLLED

HB 7009

2014 Legislature

417 schedule of all securities pledged as collateral, selected
 418 financial information, and any other information ~~that~~ the Chief
 419 Financial Officer deems ~~determines~~ necessary to administer this
 420 chapter.

421 (c) Provide to each public depositor annually by, ~~not~~
 422 ~~later than~~ October 30, the following information on all open
 423 accounts identified as a "Florida public deposit" for that
 424 public depositor as of September 30, to be used for confirmation
 425 purposes: the federal employer identification number of the
 426 qualified public depository, the name on the deposit account
 427 record, the federal employer identification number on the
 428 deposit account record, and the account number, account type,
 429 and actual account balance on deposit. Any discrepancy found in
 430 the confirmation process must ~~shall~~ be reconciled before
 431 November 30.

432 (d) Submit to the Chief Financial Officer annually by, ~~not~~
 433 ~~later than~~ November 30, a report of all public deposits held for
 434 the credit of all public depositors at the close of business on
 435 September 30. Such annual report must ~~shall~~ consist of public
 436 deposit information in a report format prescribed by the Chief
 437 Financial Officer. The manner of required filing may be as a
 438 signed writing or electronic data transmission, at the
 439 discretion of the Chief Financial Officer.

440 ~~(e) Submit to the Chief Financial Officer not later than~~
 441 ~~the date required to be filed with the federal agency:~~

442 ~~1. A copy of the quarterly Consolidated Reports of~~

ENROLLED

HB 7009

2014 Legislature

443 ~~Condition and Income, and any amended reports, required by the~~
 444 ~~Federal Deposit Insurance Act, 12 U.S.C. ss. 1811 et seq., if~~
 445 ~~such depository is a bank; or~~

446 ~~2. A copy of the Thrift Financial Report, and any amended~~
 447 ~~reports, required to be filed with the Office of Thrift~~
 448 ~~Supervision if such depository is a savings and loan~~
 449 ~~association.~~

450 (2) The following forms must be made under oath:

451 (a) The agreement of contingent liability.

452 (b) Collateral control agreements and letter of credit
 453 agreements.

454 (3) Any information contained in a report of a qualified
 455 public depository required under this chapter or any rule
 456 adopted under this chapter, together with any information
 457 required of a financial institution that is not a qualified
 458 public depository, is shall, if made confidential by any law of
 459 the United States or of this state, ~~be considered~~ confidential
 460 and exempt from ~~the provisions of~~ s. 119.07(1) and not subject
 461 to dissemination to anyone other than the Chief Financial
 462 Officer under ~~the provisions of~~ this chapter. ; However, ~~it is~~
 463 ~~the responsibility of~~ each qualified public depository and each
 464 financial institution from which information is required shall
 465 ~~to~~ inform the Chief Financial Officer of information that is
 466 confidential and the law providing for the confidentiality of
 467 that information, and the Chief Financial Officer does not have
 468 a duty to inquire into whether information is confidential.

ENROLLED

HB 7009

2014 Legislature

469 Section 11. Section 280.17, Florida Statutes, is amended
 470 to read:

471 280.17 Requirements for public depositors; notice to
 472 public depositors and governmental units; loss of protection.—In
 473 addition to any other requirement specified in this chapter,
 474 public depositors shall comply with the following:

475 (1) (a) Each official custodian of moneys that meet the
 476 definition of a public deposit under s. 280.02 shall ensure such
 477 moneys are placed in a qualified public depository unless the
 478 moneys are exempt under the laws of this state.

479 (b) Each depositor, asserting that moneys meet the
 480 definition of a public deposit ~~provided in s. 280.02~~ and are not
 481 exempt under the laws of this state, is responsible for any
 482 research or defense required to support such assertion.

483 (2) ~~Beginning July 1, 1998,~~ Each public depositor shall
 484 take the following actions for each public deposit account:

485 (a) Ensure that the name of the public depositor is on the
 486 account or certificate or other form provided to the public
 487 depositor by the qualified public depository in a manner
 488 sufficient to identify that the account is a Florida public
 489 deposit.

490 (b) Execute a form prescribed by the Chief Financial
 491 Officer for identification of each public deposit account and
 492 obtain acknowledgment of receipt on the form from the qualified
 493 public depository at the time of opening the account. Such
 494 public deposit identification and acknowledgment form shall be

ENROLLED

HB 7009

2014 Legislature

495 replaced with a current form as required in subsection (3). A
 496 public deposit account existing before July 1, 1998, must have a
 497 form completed before September 30, 1998.

498 (c) Maintain the current public deposit identification and
 499 acknowledgment form as a valuable record. Such form is mandatory
 500 for filing a claim with the Chief Financial Officer upon default
 501 or insolvency of a qualified public depository.

502 (3) Each public depositor shall review the Chief Financial
 503 Officer's published list of qualified public depositories and
 504 ascertain the status of depositories used. ~~A public depositor~~
 505 ~~shall,~~ For status changes of depositories, a public depositor
 506 shall:

507 (a) Execute a replacement public deposit identification
 508 and acknowledgment form, as described in subsection (2), for
 509 each public deposit account when there is a merger, acquisition,
 510 name change, or other event which changes the account name,
 511 account number, or name of the qualified public depository.

512 (b) Move and close public deposit accounts when an
 513 institution is not included in the authorized list of qualified
 514 public depositories or is shown as withdrawing.

515 (4) If ~~Whenever~~ public deposits are in a qualified public
 516 depository that has been declared to be in default or insolvent,
 517 each public depositor shall:

518 (a) Notify the Chief Financial Officer immediately by
 519 telecommunication after receiving notice of the default or
 520 insolvency from the receiver of the depository with subsequent

ENROLLED

HB 7009

2014 Legislature

521 written confirmation and a copy of the notice.

522 (b) Submit to the Chief Financial Officer for each public
523 deposit, within 30 days after the date of official notification
524 from the Chief Financial Officer, the following:

525 1. A claim form and agreement, as prescribed by the Chief
526 Financial Officer, executed under oath, accompanied by proof of
527 authority to execute the form on behalf of the public depositor.

528 2. A completed public deposit identification and
529 acknowledgment form, as described in subsection (2).

530 3. Evidence of the insurance afforded the deposit pursuant
531 to the Federal Deposit Insurance Act.

532 (5) Each public depositor shall confirm annually that
533 public deposit information as of the close of business on
534 September 30 has been provided by each qualified public
535 depository and is in agreement with public depositor records.
536 Such confirmation must ~~shall~~ include the federal employer
537 identification number of the qualified public depository, the
538 name on the deposit account record, the federal employer
539 identification number on the deposit account record, and the
540 account number, account type, and actual account balance on
541 deposit. ~~Public depositors shall request such confirmation
542 information from qualified public depositories on or before the
543 fifth calendar day of October and shall allow until October 31
544 to receive such information.~~ Any discrepancy found in the
545 confirmation process must ~~shall~~ be resolved ~~reconciled~~ before
546 November 30.

ENROLLED

HB 7009

2014 Legislature

547 (6) Each public depositor shall submit by, ~~not later than~~
 548 November 30~~7~~, an annual report to the Chief Financial Officer
 549 which includes ~~shall include~~:

550 (a) The official name, mailing address, and federal
 551 employer identification number of the public depositor.

552 (b) Verification that confirmation of public deposit
 553 information as of September 30, as described in subsection (5),
 554 has been completed.

555 (c) Public deposit information in a report format
 556 prescribed by the Chief Financial Officer. The manner of
 557 required filing may be as a signed writing or electronic data
 558 transmission, at the discretion of the Chief Financial Officer.

559 (d) Confirmation that a current public deposit
 560 identification and acknowledgment form, as described in
 561 subsection (2), has been completed for each public deposit
 562 account and is in the possession of the public depositor.

563 (7) Notices relating to the public deposits program shall
 564 be mailed to public depositors and governmental units from a
 565 list developed annually from:

566 (a) Public depositors that filed an annual report under
 567 subsection (6).

568 (b) A governmental unit ~~units~~ existing on September 30
 569 which ~~that~~ had no public deposits but filed an annual report
 570 stating "no public deposits"."

571 (c) A governmental unit ~~units~~ established during the year
 572 that filed an annual report as a new governmental unit or

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HB 7009

2014 Legislature

573 otherwise furnished in writing to the Chief Financial Officer
574 its official name, address, and federal employer identification
575 number.

576 (8) If a public depositor does not comply with this
577 section on each public deposit account, the protection from loss
578 provided in s. 280.18 is not effective as to that public deposit
579 account. However, the protection from loss provided in s. 280.18
580 remains effective if a public depositor fails to present the
581 form prescribed by the Chief Financial Officer for
582 identification of public deposit accounts and the Chief
583 Financial Officer determines that the defaulting or insolvent
584 depository had classified, reported, and collateralized the
585 account as a public deposit account.

586 Section 12. This act shall take effect July 1, 2014.