

1-1 By: Campbell S.B. No. 1400
 1-2 (In the Senate - Filed March 7, 2017; March 16, 2017, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 10, 2017, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; April 10, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to state banks, state bank holding companies, and branches
 1-20 of foreign banks.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 33.002, Finance Code, is amended by
 1-23 adding Subsection (a-1) and amending Subsections (d), (e), and (f)
 1-24 to read as follows:

1-25 (a-1) The banking commissioner shall promptly notify the
 1-26 applicant of the date the banking commissioner determines the
 1-27 application to be informationally complete and accepted for filing.

1-28 (d) The applicant shall publish notice of the application,
 1-29 the [its] date the application is accepted for [of] filing, and the
 1-30 identity of the applicant and, if the applicant includes a group,
 1-31 the identity of each group member. The notice must be published in
 1-32 the form and frequency specified by the banking commissioner and in
 1-33 a newspaper of general circulation in the county in which the bank's
 1-34 home office is located, or in another publication or location as
 1-35 directed by the banking commissioner.

1-36 (e) The applicant may defer publication of the notice until
 1-37 not later than the 34th day after the date the application is
 1-38 accepted for filing [filed] if:

1-39 (1) the application is filed in contemplation of a
 1-40 public tender offer subject to 15 U.S.C. Section 78n(d)(1);

1-41 (2) the applicant requests confidential treatment and
 1-42 represents that a public announcement of the tender offer and the
 1-43 filing of appropriate forms with the Securities and Exchange
 1-44 Commission or the appropriate federal banking agency, as
 1-45 applicable, will occur within the period of deferral; and

1-46 (3) the banking commissioner determines that the
 1-47 public interest will not be harmed by the requested confidential
 1-48 treatment.

1-49 (f) The banking commissioner may waive the requirement that
 1-50 a notice be published or permit delayed publication on a
 1-51 determination that waiver or delay is in the public interest. If
 1-52 publication of notice is waived under this subsection, the
 1-53 information that would be contained in a published notice becomes
 1-54 public information under Chapter 552, Government Code, on the 35th
 1-55 day after the date the application is accepted for filing [filed].

1-56 SECTION 2. Section 59.109, Finance Code, is amended to read
 1-57 as follows:

1-58 Sec. 59.109. TERMINATION OF [DELINQUENT] RENTAL; LIEN; SALE
 1-59 OF CONTENTS. (a) A safe deposit company may not terminate an
 1-60 agreement for the rental of a safe deposit box unless:

1-61 (1) the safe deposit company has delivered or sent to

2-1 the lessee a notice not later than the 90th day before the date of
 2-2 the termination and has provided the lessee an opportunity to
 2-3 retrieve the contents during normal business hours throughout the
 2-4 duration of the notice period; or

2-5 (2) the payment for the rental of a safe deposit box is
 2-6 delinquent for at least six months, and the lessee fails to pay the
 2-7 rent due following notice provided under Subsection (a-1).

2-8 (a-1) If the payment for the rental of [for] a safe deposit
 2-9 box is delinquent for at least six months, or if the rental
 2-10 agreement is otherwise terminated, the safe deposit company shall
 2-11 [may] send notice to each lessee that the company will remove the
 2-12 contents of the box if the rent is not paid or, if the rental
 2-13 agreement is otherwise terminated, the contents are not retrieved
 2-14 before the date specified in the notice, which may not be earlier
 2-15 than the 60th day after the date the notice is delivered or sent.

2-16 (a-2) If the delinquent rent is not paid or, if the rental
 2-17 agreement is otherwise terminated, the contents are not retrieved
 2-18 before the date specified in the notice, the safe deposit company
 2-19 may open the box in the presence of two employees, at least one of
 2-20 whom is an officer or manager of the safe deposit company and at
 2-21 least one of whom is a notary public. The safe deposit company
 2-22 shall inventory the contents of the box in detail as provided by the
 2-23 comptroller's reporting instructions and place the contents of the
 2-24 box in a sealed envelope or container bearing the name of the
 2-25 lessee.

2-26 (b) The safe deposit company has a lien on the contents of
 2-27 the box for an amount equal to the rental owed for the box and the
 2-28 cost of opening the box. The safe deposit company may retain
 2-29 possession of the contents not later than two years from the date of
 2-30 the opening of the box plus a reasonable period to dispose of the
 2-31 contents of the box. If the rental and the cost of opening the box
 2-32 are not paid before the second anniversary of the date the box was
 2-33 opened, or if the rental agreement is being terminated for a reason
 2-34 other than delinquent payment, and the lessee has failed to
 2-35 retrieve the contents in a reasonable period after notice of the
 2-36 termination has been sent or delivered, the safe deposit company
 2-37 may sell all or part of the contents at public auction in the manner
 2-38 and with the notice prescribed by Section 51.002, Property Code,
 2-39 for the sale of real property under a deed of trust. Any unsold
 2-40 contents of the box and any excess proceeds from a sale of contents
 2-41 shall be remitted to the comptroller as provided by Chapters 72-75,
 2-42 Property Code.

2-43 SECTION 3. Section 202.001, Finance Code, is amended by
 2-44 amending Subsection (a) and adding Subsection (a-1) to read as
 2-45 follows:

2-46 (a) This section applies to a company intending to acquire a
 2-47 Texas bank holding company or a Texas bank. For purposes of this
 2-48 section, a Texas bank holding company does not include a bank
 2-49 holding company of which the only subsidiaries are state savings
 2-50 banks.

2-51 (a-1) A company described by Subsection (a) [intending to
 2-52 acquire a Texas bank holding company or a Texas bank] shall submit
 2-53 to the commissioner a copy of the application for approval or notice
 2-54 submitted to the Board of Governors of the Federal Reserve System
 2-55 under Section 3, Bank Holding Company Act (12 U.S.C. Section 1842).
 2-56 The copy must be:

2-57 (1) submitted to the commissioner when the application
 2-58 is submitted to the board of governors;

2-59 (2) accompanied by any additional information
 2-60 required under Subsection (b); and

2-61 (3) accompanied by any filing fee required by law.

2-62 SECTION 4. Sections 204.105(b) and (e), Finance Code, are
 2-63 amended to read as follows:

2-64 (b) Among other exceptions to Subsection (a) that may be
 2-65 required or authorized by the commissioner provided by this
 2-66 subchapter or by rules adopted under this subtitle:

2-67 (1) a Texas state branch may not accept deposits of
 2-68 less than an amount equal to the standard maximum deposit insurance
 2-69 amount [~~\$100,000~~] from citizens or residents of the United States,

3-1 other than credit balances that are incidental to or arise out of
 3-2 its exercise of other lawful banking powers, unless the Federal
 3-3 Deposit Insurance Corporation determines that specific deposit
 3-4 taking activities in lesser amounts do not constitute domestic
 3-5 retail deposit activities requiring deposit insurance protection
 3-6 within the meaning of Section 6, International Banking Act (12
 3-7 U.S.C. Section 3104);

3-8 (2) a Texas state agency may not accept deposits from
 3-9 citizens or residents of the United States, other than credit
 3-10 balances that are incidental to or arise out of its exercise of
 3-11 other lawful banking powers, but may accept deposits from persons
 3-12 who are neither citizens nor residents of the United States; and

3-13 (3) a limitation or restriction based on the capital
 3-14 and surplus of a Texas state bank is considered to refer, as applied
 3-15 to a Texas state branch or agency, to the dollar equivalent of the
 3-16 capital and surplus of the foreign bank, and if the foreign bank has
 3-17 more than one Texas state branch or agency in this state, the
 3-18 business transacted by all the branches and agencies must be
 3-19 aggregated in determining compliance with the limitation.

3-20 (e) For purposes of this section:

3-21 (1) "Resident of the United States" [~~the term~~
 3-22 ~~"resident of the United States"~~] means:

3-23 (A) [~~(1)~~] an individual residing in the United
 3-24 States;

3-25 (B) [~~(2)~~] a corporation, partnership,
 3-26 association, or other entity organized in the United States; or

3-27 (C) [~~(3)~~] a branch or office located in the
 3-28 United States of an entity that is not organized in the United
 3-29 States.

3-30 (2) "Standard maximum deposit insurance amount" means
 3-31 the amount of the maximum amount of deposit insurance as determined
 3-32 under the Federal Deposit Insurance Act (12 U.S.C. Section 1821).

3-33 SECTION 5. Section 204.203(a), Finance Code, is amended to
 3-34 read as follows:

3-35 (a) A registered Texas representative office of a foreign
 3-36 bank may engage in:

3-37 (1) representational and administrative functions in
 3-38 connection with the banking activities of the foreign bank that:

3-39 (A) may include soliciting new business for the
 3-40 foreign bank, conducting research, acting as liaison between the
 3-41 foreign bank's head office and customers in the United States,
 3-42 performing preliminary and servicing steps in connection with
 3-43 lending, or performing back-office functions; and

3-44 (B) do not include contracting for any deposit or
 3-45 deposit-like liability, lending money, or engaging in any other
 3-46 banking activity for the foreign bank [~~solicit loans and in~~
 3-47 ~~connection with a loan.~~

3-48 [~~(A) assemble credit information about the~~
 3-49 ~~borrower,~~

3-50 [~~(B) inspect and appraise property,~~

3-51 [~~(C) obtain property title information, and~~

3-52 [~~(D) prepare a loan application];~~

3-53 (2) making credit decisions if:

3-54 (A) the foreign bank also operates one or more
 3-55 branches or agencies in the United States;

3-56 (B) the loans approved at the representative
 3-57 office are made by a United States office of the bank; and

3-58 (C) the loan proceeds are not disbursed in the
 3-59 representative office [~~solicit purchasers for loans from the~~
 3-60 ~~foreign bank]; and~~

3-61 (3) other functions for or on behalf of the foreign
 3-62 bank or its affiliates, including operating as a regional
 3-63 administrative office of the foreign bank, but only to the extent
 3-64 that the functions are not banking activities and are not
 3-65 prohibited by applicable federal or state law [~~solicit persons to~~
 3-66 ~~contract for servicing the foreign bank loans,~~

3-67 [~~(4) conduct research,~~

3-68 [~~(5) perform services as liaison for customers and~~
 3-69 ~~correspondents of the foreign bank,~~

4-1 ~~[(6) execute loan documents relating to permitted~~
4-2 ~~loans with the written approval of the foreign bank;~~
4-3 ~~[(7) perform back office administrative functions as~~
4-4 ~~may be more specifically defined by rule; and~~
4-5 ~~[(8) engage in other activities approved by the~~
4-6 ~~commissioner or permitted by rule].~~

4-7 SECTION 6. Sections 204.203(b), (c), and (d), Finance Code,
4-8 are repealed.

4-9 SECTION 7. This Act takes effect September 1, 2017.

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