

1-1 By: Slawson, Anchia (Senate Sponsor - Paxton) H.B. No. 3849
 1-2 (In the Senate - Received from the House April 26, 2021;
 1-3 May 4, 2021, read first time and referred to Committee on Business
 1-4 & Commerce; May 20, 2021, reported favorably by the following vote:
 1-5 Yeas 9, Nays 0; May 20, 2021, 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 the requirements for the regulation of state trust
 1-20 companies.

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

1-22 SECTION 1. Section 182.502(b), Finance Code, is amended to
 1-23 read as follows:

1-24 (b) A trust institution applying to convert into a state
 1-25 trust company may receive a certificate of authority to do business
 1-26 as a state trust company if the banking commissioner finds that:

1-27 (1) the trust institution is not engaging in a pattern
 1-28 or practice of unsafe and unsound fiduciary or banking practices;

1-29 (2) the trust institution has adequate capitalization
 1-30 for a state trust company to act as a fiduciary at the same
 1-31 locations as the trust institution is acting as a fiduciary before
 1-32 the conversion;

1-33 (3) the trust institution can be expected to operate
 1-34 profitably after the conversion;

1-35 (4) the officers and directors of the trust
 1-36 institution as a group have sufficient fiduciary ~~[banking]~~
 1-37 experience, ability, standing, competence, trustworthiness, and
 1-38 integrity to justify a belief that the trust institution will
 1-39 operate as a state trust company in compliance with law; and

1-40 (5) each principal shareholder has sufficient
 1-41 experience, ability, standing, competence, trustworthiness, and
 1-42 integrity to justify a belief that the trust institution will be
 1-43 free from improper or unlawful influence or interference with
 1-44 respect to the trust institution's operation as a state trust
 1-45 company in compliance with law.

1-46 SECTION 2. Section 184.003(e), Finance Code, is amended to
 1-47 read as follows:

1-48 (e) Subject to the exercise of prudent judgment, a state
 1-49 trust company may invest its secondary capital in real property.
 1-50 The factors to be considered by a state trust company in exercise of
 1-51 prudent judgment include the factors contained in Section
 1-52 184.101(e) ~~[184.101(f)]~~.

1-53 SECTION 3. The change in law made by this Act to Section
 1-54 182.502(b), Finance Code, applies only to an application for
 1-55 conversion filed on or after the effective date of this Act. An
 1-56 application for conversion filed before the effective date of this
 1-57 Act is governed by the law in effect on the date the application was
 1-58 filed, and the former law is continued in effect for that purpose.

1-59 SECTION 4. This Act takes effect September 1, 2021.

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