

By: Slawson, Anchia

H.B. No. 3849

Substitute the following for H.B. No. 3849:

By: Stephenson

C.S.H.B. No. 3849

A BILL TO BE ENTITLED

AN ACT

relating to the requirements for the regulation of state trust companies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

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

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

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

(3) the trust institution can be expected to operate profitably after the conversion;

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

(5) each principal shareholder has sufficient experience, ability, standing, competence, trustworthiness, and

1 integrity to justify a belief that the trust institution will be  
2 free from improper or unlawful influence or interference with  
3 respect to the trust institution's operation as a state trust  
4 company in compliance with law.

5 SECTION 2. Section [184.003\(e\)](#), Finance Code, is amended to  
6 read as follows:

7 (e) Subject to the exercise of prudent judgment, a state  
8 trust company may invest its secondary capital in real property.  
9 The factors to be considered by a state trust company in exercise of  
10 prudent judgment include the factors contained in Section  
11 [184.101\(e\)](#) [~~[184.101\(f\)](#)~~].

12 SECTION 3. The change in law made by this Act to Section  
13 [182.502\(b\)](#), Finance Code, applies only to an application for  
14 conversion filed on or after the effective date of this Act. An  
15 application for conversion filed before the effective date of this  
16 Act is governed by the law in effect on the date the application was  
17 filed, and the former law is continued in effect for that purpose.

18 SECTION 4. This Act takes effect September 1, 2021.