

By: Lambert

H.B. No. 3806

A BILL TO BE ENTITLED

AN ACT

relating to prohibited activities of a state trust company under supervision.

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

SECTION 1. Section 185.106, Finance Code, is amended to read as follows:

Sec. 185.106. DUTIES OF STATE TRUST COMPANY UNDER SUPERVISION. During a period of supervision, a state trust company, without the prior approval of the banking commissioner or the supervisor or as otherwise permitted or restricted by the order of supervision, may not:

(1) dispose of, sell, transfer, convey, or encumber the state trust company's assets;

(2) lend or invest the state trust company's funds;

(3) incur a debt, obligation, or liability;

(4) pay a ~~cash~~ dividend to the state trust company's shareholders or participants;

(5) solicit or accept any new client accounts; ~~or~~

(6) remove an executive officer or director, change the number of executive officers or directors, or have any other change in the position of executive officer or director; or

(7) engage in any other activity determined by the banking commissioner to threaten the safety and soundness of the state trust company.

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1           SECTION 2.   This Act takes effect September 1, 2025.