

BILL ANALYSIS

C.S.H.B. 2584
By: Flynn
Financial Institutions
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The current definition of “financial institution” in the Texas Savings Bank Act (Chapter 91, Finance Code) excludes credit unions. Rules issued by the Credit Union Commission authorize credit unions to engage in activities contained in the Texas Savings Bank Act, but this authority is not currently in statute because of the limitations placed by the definition in Chapter 91. C.S.H.B. 2584 redefines “financial institution” to include credit unions and bring the statute into conformity with the commission’s rules.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2584 amends Section 91.002, Finance Code to redefine “financial institution” to have the meaning assigned by Section 201.101, Finance Code. This has the effect of including credit unions and trust companies within the definition of financial institution for purposes of the Texas Savings Bank Act.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute conforms to legislative council style and clarifies that the bill amends Section 91.002, Finance Code.