

By: Villarreal

H.B. No. 1224

A BILL TO BE ENTITLED

AN ACT

relating to the amount of deposits that a financial institution may control.

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

SECTION 1. It is the intent of the legislature, in limiting the amount of deposits that a financial institution may control as a result of a merger or acquisition, to:

(1) ensure that access to financial services is available throughout the state; and

(2) stimulate competition and increase financial markets.

SECTION 2. Section 32.304(a), Finance Code, is amended to read as follows:

(a) A merger is not permitted under this subchapter if, on consummation of the transaction, the resulting state bank, including all insured depository institution affiliates of the resulting state bank, would control 15 ~~[20]~~ percent or more of the total amount of deposits in this state held by all insured depository institutions in this state.

SECTION 3. Section 32.406(a), Finance Code, is amended to read as follows:

(a) A purchase of assets is not permitted under Section 32.401 if, on consummation of the transaction, the acquiring state bank, including all insured depository institution affiliates of

1 the resulting state bank, would control 15 [~~20~~] percent or more of
2 the total amount of deposits in this state held by all insured
3 depository institutions in this state.

4 SECTION 4. Section 202.002(a), Finance Code, is amended to
5 read as follows:

6 (a) The commissioner may not approve an acquisition if, on
7 consummation of the transaction, the applicant, including all
8 depository institution affiliates of the applicant, would control
9 15 [~~20~~] percent or more of the total amount of deposits in this
10 state held by depository institutions in this state.

11 SECTION 5. Section 203.004(a), Finance Code, is amended to
12 read as follows:

13 (a) An interstate merger transaction is not permitted if, on
14 consummation of the transaction, the resulting bank, including all
15 depository institution affiliates of the resulting bank, would
16 control 15 [~~20~~] percent or more of the total amount of deposits in
17 this state held by all depository institutions in this state.

18 SECTION 6. This Act takes effect September 1, 2003.