

By: Shapleigh

S.B. No. 625

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the amount of deposits that a financial institution may  
3 control.

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

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

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

10 (2) stimulate competition and increase financial  
11 markets.

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

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

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

22 (a) A purchase of assets is not permitted under Section  
23 32.401 if, on consummation of the transaction, the acquiring state  
24 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.