

BILL ANALYSIS

Senate Research Center

H.B. 2219
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State Affairs
5/5/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, an officer of the bank is considered an agent for the service of process for the bank. Small branch facilities, however, might not get the documents regarding the process to the right person in a timely manner, leading to a default judgment for the bank. Amending statute to specify which agent within the financial institution is to be served with process may avoid unnecessary default judgments.

H.B. 2219 redefines "financial institution" and authorizes serving of citation in an action against a financial institution to the registered agent of the financial institution, or to the president or a branch manager at any office of the financial institution located in the state if the financial institution does not have such an agent.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 17, Civil Practice and Remedies Code, by adding Section 17.028, as follows:

Sec. 17.028. SERVICE ON FINANCIAL INSTITUTIONS. (a) Defines "financial institution."

(b) Authorizes a citation to be served against a financial institution by serving the registered agent of the financial institution or the president or branch manager at any office located in this state in the absence of such an agent, except as provided by Subsection (c).

(c) Authorizes a citation to be served in an action against a credit union organized under the laws of this state, another state, or federal law, by serving the registered agent of the credit union or the president or vice president in the absence of such an agent.

(d) Authorizes a financial institution to maintain an action to set aside the default judgment or any sanctions entered against the financial institution if citation has not been properly served as provided by this section.

(e) Prohibits a citation from being served on a credit union that is located in a place of worship during a worship service.

SECTION 2. Amends Section 32.202(a), Finance Code, to delete existing text providing that an officer at the home office of a bank is an agent for service of process for the bank in addition to the registered agent for the bank, if one is maintained pursuant to Section 201.103 (Appointment of Agent to Receive Service or Process), Finance Code.

SECTION 3. Repealer: Section 182.202(b) (regarding the designation of an officer at a home office as an agent for the state trust company), Finance Code.

SECTION 4. Makes application of this Act prospective, regardless of whether a process was issued before, on, or after that date.

SECTION 5. Effective date: September 1, 2007.