BILL ANALYSIS

Senate Research Center
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S.B. 1704
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Finance Commission of Texas (commission) is a nine-member board appointed by the governor for six-year terms. The commission is composed of one banking executive, one savings bank executive, one mortgage broker, one representative from the consumer credit industry, and five citizen members, one of whom must be a certified public accountant.

The commission oversees the operations of the Texas Department of Banking, the Savings and Mortgage Lending Department, and the Office of the Consumer Credit Commissioner. The banking industry is significantly under-represented on the commission even though a majority of the commission's budget and a plurality of full-time-equivalent employees are for the oversight of the banking industry.

As proposed, S.B. 1704 adds two additional banking executives to the commission to provide more proportionate representation for that industry.

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 Section 11.101(a), Finance Code, to provide that the Finance Commission of Texas (commission) is composed of 11, rather than nine, members appointed by the governor with the advice and consent of the senate.

SECTION 2. Amends Section 11.101(b), Finance Code, to provide that members of the commission serve staggered six-year terms, with as near as possible to one-third of the members' terms, rather than terms of six years with the terms of one-third of the members, expiring February 1 of each even-numbered year.

SECTION 3. Amends Section 11.102(b), Finance Code, to require that three members of the commission be banking executives, rather than that one member be a banking executive, one member of the commission be a savings executive, one member of the commission be a consumer credit executive, and one member of the commission be a mortgage broker.

SECTION 4. Requires the governor, as soon as practicable after the effective date of this Act, to appoint two additional members to the commission. Requires the governor, in appointing those members, to appoint one person to a term expiring February 1, 2012, and one person to a term expiring February 1, 2014.

SECTION 5. Effective date: upon passage or September 1, 2009.