

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1704
By: Estes
Business & Commerce
5/6/2009
Committee Report (Substituted)

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.

C.S.S.B. 1704 amends current law relating to the composition of the commission.

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 Sections 11.101(a) and (b), Finance Code, as follows:

- (a) Provides 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.
- (b) Provides 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 2. Amends Sections 11.102(b) and (c), Finance Code, as follows:

- (b) Requires that two members of the commission be banking executives, rather than requiring 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.
- (c) Requires that six, rather than five, members of the commission be representatives of the general public. Requires that at least one of those members be a certified public accountant.

SECTION 3. 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 4. Effective date: upon passage or September 1, 2009.