

## **BILL ANALYSIS**

S.B. 249  
By: Estes  
Pensions, Investments & Financial Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Finance Commission of Texas currently is a nine-member board appointed by the governor whose members serve six-year terms. The commission is composed of one banking executive, one savings association or savings bank executive, one mortgage broker, one executive from the consumer credit industry, and five citizen members, at least one of whom must be a certified public accountant. The commission oversees the operations of the Texas Department of Banking, the Department of Savings and Mortgage Lending, and the Office of Consumer Credit Commissioner. Interested parties contend that the banking industry is significantly under-represented on the commission even though a majority of the finance commission's budget and a plurality of its full-time equivalent employees are allocated for the oversight of the banking industry. S.B. 249 amends current law relating to the composition of the finance commission by adding an additional banking executive and an additional citizen member.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 249 amends the Finance Code to increase the membership of the Finance Commission of Texas from nine to 11 members by increasing the number of members who must be banking executives from one to two and the number of members that must be representatives of the general public from five to six. The bill specifies that members serve staggered six-year terms, with as near as possible to one-third of the members' terms expiring February 1 of each even-numbered year, rather than one-third of the terms expiring February 1 of each even-numbered year. The bill requires the governor, in appointing the two additional members as soon as practicable after the bill's effective date, to appoint one person to a term expiring February 1, 2014, and one person to a term expiring February 1, 2016.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.