

By: Estes

S.B. No. 1279

A BILL TO BE ENTITLED

AN ACT

relating to the members of the State Securities Board.

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

SECTION 1. Subsections B and E, Section 2, The Securities Act (Article 581-2, Vernon's Texas Civil Statutes), are amended to read as follows:

B. Two members of the Board must be persons who are each registered as a dealer, agent, investment adviser, or investment adviser representative and who are not employed by a commercial bank or nonbank affiliate. Three members of the Board ~~[members]~~

must be members of the general public. A person is not eligible for appointment as a public member if the person or the person's spouse:

(1) is registered as a dealer, agent, investment adviser, or investment adviser representative;

(2) has an active notice filing under this Act to engage in business in this state as an investment adviser or investment adviser representative;

(3) is employed by or participates in the management of a business entity engaged in business as a securities dealer or investment adviser; or

(4) has, other than as a consumer, a financial interest in a business entity engaged in business as a securities dealer or investment adviser.

E. It is a ground for removal from the Board that a member:

1 (1) does not have at the time of taking office the
2 qualifications required by Subsection A or B of this section for
3 appointment to the Board;

4 (2) does not maintain during service on the Board the
5 qualifications required by Subsection A or B of this section for
6 appointment to the Board;

7 (3) ~~[is ineligible for membership under Subsection B~~
8 ~~of this section or Subsection B or C of Section 2-1 of this Act,~~

9 ~~[(4)]~~ cannot, because of illness or disability,
10 discharge the member's duties for a substantial part of the member's
11 term; or

12 (4) ~~[(5)]~~ is absent from more than half of the
13 regularly scheduled Board meetings that the member is eligible to
14 attend during a calendar year without an excuse approved by a
15 majority vote of the Board.

16 SECTION 2. (a) The change in law made by this Act to
17 Subsection B, Section 2, The Securities Act (Article 581-2,
18 Vernon's Texas Civil Statutes), as amended by this Act, does not
19 affect the eligibility of a member of the State Securities Board
20 appointed before September 1, 2011, to continue to serve the term
21 that began before that date.

22 (b) Each of the first two persons appointed to the State
23 Securities Board on or after September 1, 2011, must be a dealer,
24 agent, investment adviser, or investment adviser representative
25 registered under The Securities Act (Article 581-1 et seq.,
26 Vernon's Texas Civil Statutes), as amended by this Act, and not
27 employed by a commercial bank or nonbank affiliate.

1 SECTION 3. This Act takes effect September 1, 2011.