

1-1 By: Zaffirini S.B. No. 726  
 1-2 (In the Senate - Filed February 8, 2019; March 1, 2019, read  
 1-3 first time and referred to Committee on Business & Commerce;  
 1-4 March 21, 2019, reported favorably by the following vote: Yeas 9,  
 1-5 Nays 0; March 21, 2019, sent to printer.)

1-6 COMMITTEE VOTE

|                 | Yea | Nay | Absent | PNV |
|-----------------|-----|-----|--------|-----|
| 1-7 Hancock     | X   |     |        |     |
| 1-8 Nichols     | X   |     |        |     |
| 1-9 Campbell    | X   |     |        |     |
| 1-10 Creighton  | X   |     |        |     |
| 1-11 Menéndez   | X   |     |        |     |
| 1-12 Paxton     | X   |     |        |     |
| 1-13 Schwertner | X   |     |        |     |
| 1-14 Whitmire   | X   |     |        |     |
| 1-15 Zaffirini  | X   |     |        |     |

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to investments by state banks to promote community  
 1-20 development.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Section 34.106, Finance Code, is  
 1-23 amended to read as follows:

1-24 Sec. 34.106. INVESTMENTS TO PROMOTE COMMUNITY DEVELOPMENT  
 1-25 [~~FOR PUBLIC WELFARE~~].

1-26 SECTION 2. Section 34.106, Finance Code, is amended by  
 1-27 amending Subsection (d) and adding Subsection (e) to read as  
 1-28 follows:

1-29 (d) A bank's aggregate investments under this section~~[~~  
 1-30 ~~including loans and commitments for loans,~~~~]~~ may not exceed an  
 1-31 amount equal to 15 ~~[10]~~ percent of the bank's unimpaired capital and  
 1-32 surplus. ~~[The banking commissioner may authorize investments in~~  
 1-33 ~~excess of this limitation in response to a written application if~~  
 1-34 ~~the banking commissioner concludes that:~~

1-35 ~~[(1) the excess investment is not precluded by other~~  
 1-36 ~~applicable law; and~~

1-37 ~~[(2) the safety and soundness of the requesting bank~~  
 1-38 ~~would not be adversely affected.]~~

1-39 (e) Notwithstanding any other law, a bank's exposure to a  
 1-40 single project or entity described by this section, including all  
 1-41 investments, loans, and commitments for loans, may not exceed 25  
 1-42 percent of the bank's unimpaired capital and surplus without the  
 1-43 prior authorization of the banking commissioner in response to a  
 1-44 written application.

1-45 SECTION 3. This Act takes effect September 1, 2019.

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