

## **BILL ANALYSIS**

Senate Research Center  
87R17620 SRA-D

H.B. 3849  
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Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

There are concerns that state law does not require the officers and directors of a trust company to have fiduciary experience in order to qualify for a certificate of authority to do business as a state trust company. H.B. 3849 seeks to address these concerns by revising the eligibility requirements for such a certificate to include a requirement for the officers and directors to have fiduciary experience.

H.B. 3849 amends current law relating to the requirements for the regulation of state trust companies.

### **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 182.502(b), Finance Code, as follows:

(b) Authorizes a trust institution applying to convert into a state trust company to receive a certificate of authority to do business as a state trust company if the banking commissioner finds that the officers and directors of the trust institution as a group meet certain criteria, including having sufficient fiduciary experience, rather than sufficient banking experience.

SECTION 2. Amends Section 184.003(e), Finance Code, as follows:

(e) Provides that the factors to be considered by a state trust company in exercise of prudent judgment include the factors contained in Section 184.101(e) (relating to requiring a state trust company to meet certain criteria in the exercise of prudent judgment), rather than in Section 184.101(f) (relating to authorizing a state trust company to invest its secondary capital in any type or character of equity or investment securities subject to the exercise of prudent judgment).

SECTION 3. Makes application of Section 182.502(b), Finance Code, as amended by this Act, prospective.

SECTION 4. Effective date: September 1, 2021.