

By: Miles

S.B. No. 86

A BILL TO BE ENTITLED

AN ACT

relating to reporting requirements for bank loans made to African American-owned businesses.

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

SECTION 1. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 272 to read as follows:

CHAPTER 272. REPORTING REQUIREMENTS FOR BANK LOANS TO CERTAIN BUSINESSES

Sec. 272.001. DEFINITIONS. (a) In this chapter, "African American-owned business" means a business entity that is at least 51 percent owned by one or more African Americans.

(b) The definitions provided by Section 31.002 apply to this chapter.

Sec. 272.002. ANNUAL REPORT REQUIRED. Not later than March 1 of each year, each bank doing business in this state that makes loans to businesses shall submit a report to the finance commission in the form and manner prescribed by the commission on loans made by the bank during the previous calendar year to African American-owned businesses. The report must include:

(1) the total dollar value of loans made by the bank to African American-owned businesses; and

(2) the amount loaned to African American-owned businesses as a percentage of the total amount of loans made by the bank to businesses during that calendar year.

1       Sec. 272.003. ONLINE PUBLICATION OF REPORT. (a) The  
2 finance commission shall provide the reports submitted under  
3 Section 272.002 to the banking commissioner. The banking  
4 commissioner shall publish and maintain the information from the  
5 reports on the department's Internet website in a form determined  
6 by the commissioner.

7       (b) The information published under Subsection (a) must be:  
8           (1) available to the public; and  
9           (2) displayed in a manner that shows the reported  
10 information disaggregated by bank.

11       Sec. 272.004. RULES. The finance commission shall adopt  
12 rules necessary to implement this chapter.

13       SECTION 2. As soon as practicable after the effective date  
14 of this Act, the Finance Commission of Texas shall adopt the rules  
15 necessary to implement Chapter 272, Finance Code, as added by this  
16 Act.

17       SECTION 3. This Act takes effect September 1, 2021.