88R20901 ATP-F

By:  Guillen, Lopez of Cameron H.B. No. 1552

Substitute the following for H.B. No. 1552:

By:  Schofield C.S.H.B. No. 1552

A BILL TO BE ENTITLED

AN ACT

relating to the limitation of liability of a financial institution acquiring a trustee financial institution.

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

SECTION 1.  Subchapter A, Chapter 114, Property Code, is amended by adding Section 114.009 to read as follows:

Sec. 114.009.  LIABILITY OF ACQUIRING FINANCIAL INSTITUTION. (a) In this section, "financial institution" has the meaning assigned by Section 201.101, Finance Code.

(b)  The aggregate liability of an acquiring financial institution that accepts the trusts for which a financial institution merged with or acquired by the financial institution serves as trustee is limited to the lesser of:

(1)  $10 million; or

(2)  the aggregate value of all distributions of trust property made by any predecessor trustee, including the financial institution merged into or acquired by the acquiring financial institution, in all trusts before the acquiring financial institution's acceptance of the trusts.

(c)  Subsection (b) applies only to liability for conduct of a predecessor trustee.

SECTION 2.  Section 114.009, Property Code, as added by this Act, applies only to an action filed against a financial institution on or after the effective date of this Act.

SECTION 3.  This Act takes effect September 1, 2023.