

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.

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