

## **BILL ANALYSIS**

C.S.H.B. 3849  
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Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

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. C.S.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.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3849 amends the Finance Code to revise the eligibility requirements for 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. The bill replaces the requirement for the trust institution's officers and directors, as a group, to have sufficient banking experience, among other qualities, to justify a belief that the institution will operate as a state trust company in compliance with law with the requirement for those individuals as a group to have sufficient fiduciary experience, among the same other qualities, to justify the same belief.

C.S.H.B. 3849 establishes that the change in law made by the bill applies only to an application for conversion filed on or after the bill's effective date.

### **EFFECTIVE DATE**

September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3849 differs from the original in minor or nonsubstantive ways to conform to certain bill drafting conventions, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a procedural provision not in the original that provides for the prospective effect of its change in law.

The original included an effective date of on passage, or, if the bill does not receive the necessary vote, September 1, 2021. The substitute does not provide for possible immediate effect and instead includes an effective date of September 1, 2021.