CHAPTER 575
S.B. No. 804
AN ACT
relating to revising provisions in certain laws governing certain banks and trust companies in this state to conform to changes in terminology made by the Business Organizations Code.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. The heading to Section 32.002, Finance Code, is amended to read as follows:

Sec. 32.002. CERTIFICATE OF FORMATION [ARTICLES OF ASSOCIATION] OF STATE BANK.

SECTION 2. Subsections (a) and (c), Section 32.002, Finance Code, are amended to read as follows:

(a) The certificate of formation [articles of association] of a state bank must be signed and acknowledged by each organizer and must contain:

1. the name of the bank, subject to Subsection (b);
2. the period of the bank's duration, which may be perpetual, subject to Subsection (c);
3. the powers of the bank, which may be stated as:
   (A) all powers granted by law to a state bank; or
   (B) a list of the specific powers under Section 32.001 that the bank chooses to exercise;
4. the aggregate number of shares that the bank will be authorized to issue and the number of classes of shares, which may be one or more;
5. if the shares are to be divided into classes:
   (A) the designation of each class and statement of the preferences, limitations, and relative rights of the shares of each class, which in the case of a limited banking association may be more fully set forth in the participation agreement;
   (B) the number of shares of each class; and
   (C) a statement of the par value of the shares of each class or that the shares are to be without par value;
6. any provision limiting or denying to shareholders the preemptive right to acquire additional or treasury shares of the bank;
7. any provision granting the right of shareholders to cumulative voting in the election of directors;
8. the aggregate amount of consideration to be received for all shares initially issued by the bank and a statement that:
   (A) all authorized shares have been subscribed; and
   (B) all subscriptions received have been irrevocably paid in cash;
9. any provision that is otherwise required by this subtitle to be set forth in the certificate of formation [articles of association];
10. the street address of the bank's initial home office;
11. the number of directors constituting the initial board and the names and street addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until successor directors have been elected and qualified; and
12. subject to Section 32.008, any provision consistent with law that the organizers elect to set forth in the certificate of formation [articles of association] for the regulation of the
internal affairs of the bank, including provisions permissible under the Business Organizations Code for:

(A) a for-profit corporation, in the case of a proposed banking association; or

(B) a limited liability company, in the case of a proposed limited banking association.

(c) A state bank, other than a private bank, organized before August 31, 1993, is considered to have perpetual existence, notwithstanding a contrary statement in its articles of association, unless after September 1, 1995, the bank amends its certificate of formation or articles of association to reaffirm its limited duration.

SECTION 3. Section 32.008, Finance Code, is amended to read as follows:

Sec. 32.008. APPLICATION OF GENERAL CORPORATE LAW. (a) The Business Organizations Code applies to a banking association as if it were a for-profit corporation, and to a limited banking association as if it were a limited liability company, to the extent not inconsistent with this subtitle or the proper business of a state bank, except that:

(1) a reference in the Business Organizations Code to the secretary of state means the banking commissioner unless the context requires otherwise; and

(2) the right of shareholders to cumulative voting in the election of directors exists only if granted by the bank’s certificate of formation [articles of association].

(b) The finance commission may adopt rules to limit or refine the applicability of the laws listed by Subsection (a) [as-(d)] to a state bank or to alter or supplement the procedures and requirements of those laws applicable to an action taken under this chapter.

(c) Unless expressly authorized by this subtitle or a rule adopted under this subtitle, a state bank may not take an action authorized by a law listed by Subsection (a) [as-(d)] regarding its corporate status, its capital structure, or a matter of corporate governance, of the type for which those laws would require a filing with the secretary of state if the bank were a filing entity [business corporation], without submitting the filing to the banking commissioner and obtaining the banking commissioner’s prior written approval of the action.

(d) In this subtitle, a reference to a term or phrase listed in a subdivision of Section 1.006, Business Organizations Code, includes a synonymous term or phrase referenced by the same subdivision in Section 1.006 of that code.

SECTION 4. The heading to Subchapter B, Chapter 32, Finance Code, is amended to read as follows:

SUBCHAPTER B. AMENDMENT OF CERTIFICATE [ARTICLES]; CHANGES IN CAPITAL AND SURPLUS

SECTION 5. The heading to Section 32.101, Finance Code, is amended to read as follows:

Sec. 32.101. AMENDMENT OR RESTATEMENT OF STATE BANK CERTIFICATE OF FORMATION [ARTICLES OF ASSOCIATION].

SECTION 6. Subsections (a), (b), and (c), Section 32.101, Finance Code, are amended to read as follows:

(a) A state bank that has been granted a certificate of authority may amend or restate its certificate of formation [articles of association] for any lawful purpose, including the creation of authorized but unissued shares or participation shares in one or more classes or series.

(b) An amendment authorizing the issuance of shares or participation shares in series must contain:

(1) the designation of each series and a statement of any variations in the preferences, limitations, and relative rights among series to the extent that the preferences, limitations, and relative rights are to be established in the certificate of formation [articles of association]; and

(2) a statement of any authority to be vested in the bank’s board to establish series and determine the preferences, limitations, and relative rights of each series.

(c) Amendment or restatement of the certificate of formation [articles of association] of a state bank and approval of the bank’s board and shareholders must be made or obtained as
provided by the Business Organizations Code [for the amendment or restatement of a certificate of formation by a for-profit corporation] except as otherwise provided by this subtitle or rules adopted under this subtitle. The original and one copy of the certificate [articles] of amendment or restated certificate of formation [articles of association] must be filed with the banking commissioner for approval. Unless the submission presents novel or unusual questions, the banking commissioner shall approve or reject the amendment or restatement not later than the 31st day after the date the banking commissioner considers the submission informationally complete and accepted for filing. The banking commissioner may require the submission of additional information as considered necessary to an informed decision to approve or reject any amendment or restatement of a certificate of formation [articles of association] under this section. If the banking commissioner finds that the amendment or restatement conforms to law and any conditions imposed by the banking commissioner, and any required filing fee has been paid, the banking commissioner shall:

1. endorse the face of the original and copy of the amendment or restatement with the date of approval and the word “Approved”;
2. file the original of the amendment or restatement in the department’s records; and
3. deliver a certified copy of the amendment or restatement to the bank.

SECTION 7. Subsections (a) and (b), Section 32.102, Finance Code, are amended to read as follows:

(a) If the certificate of formation [articles of association] expressly gives [give] the board of a state bank authority to establish shares in series and determine the preferences, limitations, and relative rights of each series, the board may do so only in compliance with this section and any rules adopted under this subtitle.

(b) A series of shares may be established in the manner provided by the Business Organizations Code [as if the state bank were a domestic entity], but the shares of the series may not be issued and sold without the prior written approval of the banking commissioner under Section 32.103. The bank shall file the original and one copy of the statement of action required by the Business Organizations Code with the banking commissioner.

SECTION 8. Subsection (b), Section 32.301, Finance Code, is amended to read as follows:

(b) Implementation of the merger by the parties and approval of the board, shareholders, or owners of the parties must be made or obtained in accordance with the Business Organizations Code as if the state bank were a filing [domestic] entity and all other parties to the merger were foreign entities, except as may be otherwise provided by applicable rules.

SECTION 9. Subsections (a) and (c), Section 32.302, Finance Code, are amended to read as follows:

(a) If the merger is subject to the prior written approval of the banking commissioner, the original certificate [articles] of merger and a number of copies of the certificate [articles] equal to the number of surviving, new, and acquiring entities must be filed with the banking commissioner. On this filing, the banking commissioner shall investigate the condition of the merging parties. The banking commissioner may require the submission of additional information the banking commissioner determines necessary to an informed decision to approve or reject a merger under this subchapter.

(c) If the banking commissioner approves the merger and finds that all required filing fees and investigative costs have been paid, the banking commissioner shall:

1. endorse the face of the original and each copy of the certificate [articles] of merger with the date of approval and the word “Approved”;
2. file the original of the certificate [articles] of merger in the department’s records; and
3. deliver a certified copy of the certificate [articles] of merger to each surviving, new, or acquiring entity.

SECTION 10. Subsection (b), Section 32.501, Finance Code, is amended to read as follows:

(b) The merger or conversion by the state bank must be made and approval of its board and shareholders must be obtained in accordance with the Business Organizations Code as if
the state bank were a filing domestic entity and all other parties to the transaction, if any, were foreign entities, except as provided by rule. For purposes of this subsection, a conversion is considered a merger into the successor form of financial institution.

SECTION 11. Subsection (c), Section 33.204, Finance Code, is amended to read as follows:

(c) The certificate of formation [articles of association], bylaws, and participation agreement of a limited banking association may use “director” instead of “manager” and “board” instead of “board of managers.”

SECTION 12. Section 33.209, Finance Code, is amended to read as follows:

Sec. 33.209. ALLOCATION OF PROFITS AND LOSSES. The profits and losses of a limited banking association may be allocated among the participants and among classes of participants as provided by the participation agreement. Without the prior written approval of the banking commissioner to use a different allocation method, the profits and losses must be allocated according to the relative interests of the participants as reflected in the certificate of formation [articles of association] and related documents filed with and approved by the banking commissioner.

SECTION 13. Section 33.210, Finance Code, is amended to read as follows:

Sec. 33.210. DISTRIBUTIONS. Subject to Section 32.103, distributions of cash or other assets of a limited banking association may be made to the participants as provided by the participation agreement. Without the prior written approval of the banking commissioner to use a different distribution method, distributions must be made to the participants according to the relative interests of the participants as reflected in the certificate of formation [articles of association] and related documents filed with and approved by the banking commissioner.

SECTION 14. Subsection (a), Section 36.312, Finance Code, is amended to read as follows:

(a) The priority of distribution of assets from the estate of a bank the deposits of which are not insured by the Federal Deposit Insurance Corporation or its successor shall be in accordance with the order of each class as provided by this section. Every claim in each class shall be paid in full, or adequate money shall be retained for that payment, before a member of the next class receives any payment. A subclass may not be established within a class, except for a preference or subordination within a class expressly created by contract or other instrument or in the certificate of formation [articles of association].

SECTION 15. Subsection (c), Section 36.313, Finance Code, is amended to read as follows:

(c) At the meeting, the shareholders shall appoint one or more agents to take over the affairs to continue the liquidation for the benefit of the shareholders. Voting privileges are governed by the bank’s bylaws and certificate of formation [articles of association]. If a quorum cannot be obtained at the meeting, the banking commissioner shall appoint an agent. An agent appointed under this subsection shall execute and file with the court a bond approved by the court, conditioned on the faithful performance of all the duties of the trust.

SECTION 16. The heading to Section 182.002, Finance Code, is amended to read as follows:

Sec. 182.002. CERTIFICATE OF FORMATION [ARTICLES OF ASSOCIATION] OF STATE TRUST COMPANY.

SECTION 17. Subsections (a) and (c), Section 182.002, Finance Code, are amended to read as follows:

(a) The certificate of formation [articles of association] of a state trust company must be signed and acknowledged by each organizer and must contain:

(1) the name of the state trust company, subject to Subsection (b);
(2) the period of the state trust company’s duration, which may be perpetual;
(3) the powers of the state trust company, which may be stated as:

(A) all powers granted to a state trust company in this state; or

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(B) a list of the specific powers that the state trust company chooses and is authorized
to exercise;

(4) the aggregate number of shares, or participation shares in the case of a limited trust
association, that the state trust company will be authorized to issue, and the number of
classes of shares or participation shares, which may be one or more;

(5) if the shares or participation shares are to be divided into classes:
(A) the designation of each class and statement of the preferences, limitations, and
relative rights of the shares or participation shares of each class, which in the case of a
limited trust association may be more fully set forth in the participation agreement;
(B) the number of shares or participation shares of each class; and
(C) a statement of the par value of the shares or participation shares of each class or
that the shares or participation shares are to be without par value;

(6) any provision limiting or denying to shareholders or participants the preemptive right
to acquire additional or treasury shares or participation shares of the state trust company;

(7) any provision granting the right of shareholders or participants to cumulative voting
in the election of directors or managers;

(8) the aggregate amount of consideration to be received for all shares or participation
shares initially issued by the state trust company and a statement that:
(A) all authorized shares or participation shares have been subscribed; and
(B) all subscriptions received have been irrevocably paid in cash;

(9) any provision consistent with law that the organizers elect to set forth in the
certificate of formation [articles of association] for the regulation of the internal affairs of
the state trust company or that is otherwise required by this subtitle to be set forth in the
certificate of formation [articles of association];

(10) the street address of the state trust company's home office; and

(11) either:
(A) the number of directors or managers constituting the initial board and the names
and street addresses of the persons who are to serve as directors or managers until the
first annual meeting of shareholders or participants or until successor directors or
managers have been elected and qualified; or
(B) the statement described by Subsection (c).

(c) The organizers of a limited trust association that will have not fewer than five or more
than 25 participants may include in the certificate of formation [articles of association] a
statement that management is vested in a board composed of all participants, with manage-
ment authority vested in each participant in proportion to the participant's contribution to
capital as adjusted from time to time to properly reflect any additional contribution, and the
names and street addresses of the persons who are to be the initial managing participants.

SECTION 18. Section 182.009, Finance Code, is amended to read as follows:
Sec. 182.009. APPLICATION OF GENERAL CORPORATE LAW. (a) The Business
Organizations Code applies to a trust association as if it were a for-profit corporation, and to a
limited trust association as if it were a limited liability company, to the extent not inconsistent
with this subtitle or the proper business of a state trust company, except that:

(1) a reference to the secretary of state means the banking commissioner unless the
context requires otherwise; and

(2) the right of shareholders or participants to cumulative voting in the election of
directors or managers exists only if granted by the state trust company's certificate of
formation [articles of association].

(b) Unless expressly authorized by this subtitle or a rule of the finance commission, a state
trust company may not take an action authorized by a law listed under Subsection (a) [§ 5-41]
regarding its corporate status, capital structure, or a matter of corporate governance, of the
type for which a law listed under Subsection (a) would require a filing with the secretary of
state if the state trust company were a filing entity [business corporation or a limited liability
company].
(e) The finance commission may adopt rules to alter or supplement the procedures and requirements of the laws listed by Subsection (a) [or (d)] applicable to an action taken under this chapter by a state trust company.

(d) In this subtitle, a reference to a term or phrase listed in a subdivision of Section 1.006, Business Organizations Code, includes a synonymous term or phrase referenced by the same subdivision in Section 1.006 of that code.

SECTION 19. The heading to Subchapter B, Chapter 182, Finance Code, is amended to read as follows:

SUBCHAPTER B. AMENDMENT OF CERTIFICATE [ARTICLES]; CHANGES IN CAPITAL AND SURPLUS

SECTION 20. The heading to Section 182.101, Finance Code, is amended to read as follows:

Sec. 182.101. AMENDMENT OR RESTATEMENT OF STATE TRUST COMPANY CERTIFICATE OF FORMATION [ARTICLES OF ASSOCIATION].

SECTION 21. Subsections (a), (b), (c), and (d), Section 182.101, Finance Code, are amended to read as follows:

(a) A state trust company that has been granted a charter under Section 182.006 or a predecessor statute may amend or restate its certificate of formation [articles of association] for any lawful purpose, including the creation of authorized but unissued shares or participation shares in one or more classes or series.

(b) An amendment authorizing the issuance of shares or participation shares in series must contain:

(1) the designation of each series and a statement of any variations in the preferences, limitations, and relative rights among series to the extent that the preferences, limitations, and relative rights are to be established in the certificate of formation [articles of association]; and

(2) a statement of any authority to be vested in the board to establish series and determine the preferences, limitations, and relative rights of each series.

(c) A limited trust association may not amend its certificate of formation [articles of association] to extend its period of existence for a perpetual period or for any period of years, unless the period of existence is expressly contingent on those events resulting in dissolution of the trust association under Section 183.208.

(d) Amendment or restatement of the certificate of formation [articles of association] of a state trust company and approval of the board and shareholders or participants must be made or obtained in accordance with the Business Organizations Code [for the amendment or restatement of a certificate of formation by a for-profit corporation], except as otherwise provided by this subtitle or rules adopted under this chapter. The original and one copy of the certificate [articles] of amendment or restated certificate of formation [articles of association] must be filed with the banking commissioner for approval. Unless the submission presents novel or unusual questions, the banking commissioner shall approve or reject the amendment or restatement not later than the 31st day after the date the banking commissioner considers the submission informationally complete and accepted for filing. The banking commissioner may require the submission of additional information as considered necessary to an informed decision to approve or reject any amendment or restatement of a certificate of formation [articles of association] under this section.

SECTION 22. Subsections (a) and (b), Section 182.102, Finance Code, are amended to read as follows:

(a) If the certificate of formation [articles of association] expressly gives [gives] the board authority to establish series and determine the preferences, limitations, and relative rights of each series, the board may do so only on compliance with this section and any rules adopted under this chapter.
(b) A series of shares or participation shares may be established in the manner provided by the Business Organizations Code [as if a state trust company were a domestic corporation], but the shares or participation shares of the series may not be issued and sold except on compliance with Section 182.103. The state trust company shall file the original and one copy of the statement of action required by the Business Organizations Code with the banking commissioner.

SECTION 23. Section 182.301, Finance Code, is amended to read as follows:

Sec. 182.301. MERGER AUTHORITY. (a) Two or more trust institutions, corporations, or other entities with the authority to participate in a merger, at least one of which is a state trust company, may adopt and implement a plan of merger in accordance with this section. The merger may not be made without the prior written approval of the banking commissioner if any surviving, new, or acquiring entity that is a party to the merger or created by the terms of the merger is a state trust company or is not a trust institution. [Subject to this subchapter and with the prior written approval of the banking commissioner, a state trust company may merge with another person to the same extent as a for-profit corporation under the Business Organizations Code].

(b) Implementation of the plan of merger by the parties and approval of the board, shareholders, participants, or owners of the parties must be made or obtained as provided by the Business Organizations Code as if the state trust company were a filing entity [domestic corporation] and all other parties to the merger were foreign corporations and other entities, except as otherwise provided by rules adopted under this chapter.

SECTION 24. Subsection (a), Section 182.302, Finance Code, is amended to read as follows:

(a) To apply for approval of a merger, the parties must submit the original certificate [articles] of merger, a number of copies of the certificate [articles] of merger equal to the number of surviving, new, and acquiring entities, and an application in the form required by the banking commissioner. The banking commissioner may require the submission of additional information as considered necessary to an informed decision.

SECTION 25. Subsection (a), Section 182.303, Finance Code, is amended to read as follows:

(a) If the banking commissioner approves the merger and finds that all required filing fees and investigative costs have been paid, the banking commissioner shall:

(1) endorse the face of the original and each copy of the certificate [articles] of merger with the date of approval and the word "Approved";
(2) file the original in the department's records; and
(3) deliver a certified copy of the certificate [articles] of merger to each surviving, new, or acquiring entity.

SECTION 26. Subsection (b), Section 182.501, Finance Code, is amended to read as follows:

(b) The merger or conversion must be made and approval of the state trust company's board, shareholders, or participants must be obtained in accordance with the Business Organizations Code as if the state trust company were a filing entity [domestic corporation] and all other parties to the transaction, if any, were foreign corporations and other entities, except as may be otherwise provided by rule. For purposes of this subsection, a conversion is considered a merger into the successor trust institution.

SECTION 27. Section 183.203, Finance Code, is amended to read as follows:

Sec. 183.203. CONTRACTING FOR DEBT OR OBLIGATION. Except as provided by this section or the certificate of formation [articles of association] of the limited trust association, a debt, liability, or other obligation may be contracted for or incurred on behalf of a limited trust association only by:

(1) a majority of the managers, if management of the limited trust association has been vested in a board of managers;
(2) a majority of the managing participants; or
an officer or other agent vested with actual or apparent authority to contract for or incur the debt, liability, or other obligation.

SECTION 28. Subsections (a) and (c), Section 183.204, Finance Code, are amended to read as follows:

(a) Management of a limited trust association is vested in the participants in proportion to each participant's contribution to capital, as adjusted periodically to properly reflect any additional contribution. The certificate of formation [articles of association] may provide that management of a limited trust association is vested in a board of managers to be elected annually by the participants as prescribed by the bylaws or the participation agreement.

(c) The certificate of formation [articles of association], bylaws, and participation agreement of a limited trust association may use the term “director” instead of “manager” and the term “board” instead of “board of managers.”

SECTION 29. Subsections (a) and (c), Section 183.205, Finance Code, are amended to read as follows:

(a) Except as otherwise provided by this chapter, a participant may not receive from a limited trust association any part of the participant's contribution to capital unless:

(1) all liabilities of the limited trust association, except liabilities to participants on account of contribution to capital, have been paid;

(2) after the withdrawal or reduction, sufficient property of the limited trust association will remain to pay all liabilities of the limited trust association, except liabilities to participants on account of contribution to capital;

(3) all participants consent; or

(4) the certificate of formation is [articles of association] canceled or amended to set out the withdrawal or reduction.

(c) A participant may demand the return of the participant's contribution to capital only in cash unless a different form of return of the contribution is allowed by the certificate of formation [articles of association] or by the unanimous consent of all participants.

SECTION 30. Subsection (a), Section 183.207, Finance Code, is amended to read as follows:

(a) A limited trust association in which management is retained by the participants is not required to adopt bylaws if the provisions required by law to be contained in the bylaws are contained in the certificate of formation [articles of association] or the participation agreement.

SECTION 31. Subsection (a), Section 183.208, Finance Code, is amended to read as follows:

(a) A limited trust association organized under this chapter is dissolved on:

(1) the expiration of the period fixed for the duration of the limited trust association;

(2) a vote to dissolve or the execution of a written consent to dissolve by all full liability participants, if any, and a sufficient number of other participants that, combined with all full liability participants, hold at least two-thirds of the participation shares in each class in the association, or a greater fraction as provided by the certificate of formation [articles of association];

(3) except as provided by the certificate of formation [articles of association], the death, insanity, expulsion, bankruptcy, retirement, or resignation of a participant unless a majority in interest of all remaining participants elect in writing not later than the 90th day after the date of the event to continue the business of the association; or

(4) the occurrence of an event of dissolution specified in the certificate of formation [articles of association].

SECTION 32. Section 183.209, Finance Code, is amended to read as follows:

Sec. 183.209. ALLOCATION OF PROFITS AND LOSSES. The profits and losses of a limited trust association may be allocated among the participants and among classes of participants as provided by the participation agreement. Without the prior written approval of the banking commissioner to use a different allocation method, the profits and losses must
be allocated according to the relative interests of the participants as reflected in the certificate of formation [articles of association] and related documents filed with and approved by the banking commissioner.

SECTION 33. Section 183.210, Finance Code, is amended to read as follows:

Sec. 183.210. DISTRIBUTIONS. Subject to Section 182.103, distributions of cash or other assets of a limited trust association may be made to the participants as provided by the participation agreement. Without the prior written approval of the banking commissioner to use a different distribution method, distributions must be made to the participants according to the relative interests of the participants as reflected in the certificate of formation [articles of association] and related documents filed with and approved by the banking commissioner.

SECTION 34. Subsection (a), Section 186.312, Finance Code, is amended to read as follows:

(a) The priority of distribution of assets from the estate of a state trust company whose deposits are not insured by the Federal Deposit Insurance Corporation or its successor shall be in accordance with the order of each class as provided by this section. Every claim in each class shall be paid in full, or adequate money shall be retained for that payment, before a member of the next class may receive any payment. A subclass may not be established within a class, except for a preference or subordination within a class expressly created by contract or other instrument or in the certificate of formation [articles of association].

SECTION 35. Subsection (c), Section 186.313, Finance Code, is amended to read as follows:

(c) At the meeting, the shareholders or participants shall appoint one or more agents to take over the affairs to continue the liquidation for the benefit of the shareholders or participants and participant-transferees. Voting privileges are governed by the state trust company's bylaws and certificate of formation [articles of association]. If a quorum cannot be obtained at the meeting, the banking commissioner shall appoint an agent. An agent appointed under this subsection shall execute and file with the court a bond approved by the court, conditioned on the faithful performance of all the duties of the trust.

SECTION 36. Subsection (a), Section 204.101, Finance Code, is amended to read as follows:

(a) A foreign bank that desires to establish and maintain a Texas state branch or agency shall submit an application to the commissioner. The application must:

(1) be accompanied by all application fees and deposits required by applicable rules;
(2) be in the form specified by the commissioner;
(3) be subscribed and acknowledged by an officer of the foreign bank;
(4) have attached:
   (A) a complete copy of the foreign bank’s application to the Board of Governors of the Federal Reserve System under Section 7(d), International Banking Act (12 U.S.C. Section 3105(d));
   (B) an authenticated copy of the foreign bank’s certificate of formation [articles of incorporation] and bylaws or other constitutive documents and, if the copy is in a language other than English, an English translation of the document, under the oath of the translator; and
   (C) evidence of compliance with Section 201.102;
(5) be submitted when the federal application is submitted to the board of governors; and
(6) include on its face or in accompanying documents:
   (A) the name of the foreign bank;
   (B) the street address where the principal office of the Texas state branch or agency is to be located and, if different, the Texas state branch or agency’s mailing address;
(C) the name and qualifications of each officer and director of the foreign bank who will have control of all or part of the business and affairs of the Texas state branch or agency;

(D) a detailed statement of the foreign bank's financial condition as of a date not more than 360 days before the date of the application; and

(E) other information that:
   (i) is necessary to enable the commissioner to make the findings listed in Section 204.103;
   (ii) is required by rules adopted under this subtitle; or
   (iii) the commissioner reasonably requests.

SECTION 37. Section 204.107, Finance Code, is amended to read as follows:

Sec. 204.107. FILING OF AMENDMENTS TO CERTIFICATE OF FORMATION [ARTICLES OF INCORPORATION]. If the certificate of formation [articles of incorporation] of a foreign bank licensed to maintain a Texas state branch or agency is [are] amended, the foreign bank shall promptly file with the commissioner a copy of the amendment, duly authenticated by the proper officer of the country of the foreign bank's organization. The filing does not enlarge or alter the business the foreign bank is authorized to pursue in this state, authorize the foreign bank to transact business in this state under a name other than the name set forth in its license, or extend the duration of its corporate existence.

SECTION 38. Subsection (a), Section 204.201, Finance Code, is amended to read as follows:

(a) A foreign bank may establish a Texas representative office if the foreign bank files with the commissioner a verified statement of registration. A statement of registration must:

(1) be accompanied by all registration fees and deposits required by rule;

(2) be in the form specified by the commissioner;

(3) be subscribed and acknowledged by an officer of the foreign bank;

(4) contain as an exhibit or attachment:
   (A) a copy of the foreign bank's notice or application submitted to the Board of Governors of the Federal Reserve System under Section 10, International Banking Act (12 U.S.C. Section 3107), and, when issued, the order or notification from the board of governors indicating that the representative office has been approved;
   (B) an authenticated copy of the foreign bank's certificate of formation [articles of incorporation] and bylaws or other constitutive documents and, if the copy is in a language other than English, an English translation of the document, under the oath of the translator; and
   (C) evidence of compliance with Section 201.102;

(5) be submitted when the federal notice or application is submitted to the board of governors; and

(6) directly or in exhibits or attachments contain:
   (A) the name of the foreign bank;
   (B) the street address and post office address where each Texas representative office is to be located in this state;
   (C) the name and qualifications of each officer and director of the foreign bank who will have charge of any aspect of the business and affairs of the Texas representative office;
   (D) a complete and detailed statement of the financial condition of the foreign bank as of a date not more than 360 days before the date of the filing; and
   (E) other information the commissioner requires.

SECTION 39. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution.
CHAPTER 576

S.B. No. 817

AN ACT relating to certain requirements for political parties holding conventions and for officers of certain of those parties.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 161.005, Election Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) To be eligible to be a candidate for or to serve as a county or precinct chair of a political party, a person must:

(1) be a qualified voter of the county; and

(2) except as provided by Subsection (c), not be a candidate for nomination or election to, or be the holder of, an elective office of the federal, state, or county government.

(c) A candidate for nomination or election to, or the holder of, an elective office of the federal, state, or county government is eligible to serve as a county or precinct chair of a political party to which Chapter 181 applies.

SECTION 2. Section 163.002, Election Code, is amended to read as follows:

Sec. 163.002. REQUIRED RULES. A political party that makes nominations in this state shall adopt rules that:

(1) prescribe the parliamentary procedure governing the conduct of party meetings and conventions from the precinct level to the state level, including:

(A) quorums;

(B) casting and counting votes;

(C) operation of executive committees;

(D) appointment and duties of convention committees; and

(E) presentation of matters before a convention;

(2) prescribe the method of selecting the party's presidential elector candidates;

(3) prescribe the manner of selecting party officers, convention delegates, any convention alternates, and convention officials;

(4) provide for representative apportionment of party officers, convention delegates, any convention alternates, and convention officials throughout the state on the basis of population, party strength, or both, within the appropriate territorial unit;

(5) provide for periodic publication and publicizing of party rules; and

(6) prescribe the manner of adopting party rules and amendments to the rules.

SECTION 3. Subsection (a), Section 181.061, Election Code, is amended to read as follows:

(a) A political party nominating by convention must make its nominations for statewide offices at a state convention held on the second Saturday in April (June) of the election year, except that if the Sunday after the second Saturday in April in an election year is the date of the Easter holiday, the state convention must be held on the third Saturday in April of that