

## **BILL ANALYSIS**

Senate Research Center

S.B. 671  
By: Ellis  
Economic Development  
3-5-97  
As Filed

### **DIGEST**

Currently, the Federal Community Reinvestment Act requires banking institutions to meet the credit needs of the local communities in which they are chartered. According to the Office of the Comptroller of the Currency, community reinvestment in Texas is currently lower than in other large states, while banking liquidity is relatively high. S.B. 671 establishes the Community Reinvestment Work Group to work in conjunction with the banking community in Texas to develop statewide community investment strategies to leverage private capital for community development in Texas.

### **PURPOSE**

As proposed, S.B. 671 establishes the Community Reinvestment Work Group to work in conjunction with the banking community in Texas to develop statewide community investment strategies to leverage private capital for community development in Texas.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 16, V.T.C.S., by adding Article 352, as follows:

#### Art. 352. COMMUNITY REINVESTMENT WORK GROUP

Sec. 1. COMMUNITY REINVESTMENT WORK GROUP. Provides for the creation of the Community Reinvestment work group (group) and its constituency, presiding officer, meetings, terms of the members, responsible party for expenses, and compensation and strategies for the group.

Sec. 2. REPORT TO LEGISLATURE. Requires the group to submit each biennium a written report to the legislature on the effectiveness of the group's strategies.

SECTION 2. Requires the group to submit the first report no later than February 1, 1999.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.