

## **BILL ANALYSIS**

Senate Research Center

H.B. 1414  
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Economic Development  
4-21-97  
Engrossed

### **DIGEST**

Currently, the Federal Community Reinvestment Act (act) requires banking institutions to meet certain needs of the local communities in which they are chartered. Community reinvestment in Texas is lower than in other large states, while bank liquidity is relatively high. This bill creates a community reinvestment work group to develop strategies to meet the reinvestment needs of low- and moderate-income communities statewide in conjunction with the act.

### **PURPOSE**

As proposed, H.B. 1414 creates a community reinvestment work group to develop strategies to meet the reinvestment needs of low- and moderate-income communities statewide in conjunction with the Federal Community Reinvestment Act.

### **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. Creates the community reinvestment work group (group). Sets forth the purpose of the group. Sets forth the constituency of the group. Sets forth offices, meetings, terms and appointments of the group. Requires the group to perform certain duties in developing the strategies required by this section.

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

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

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.