

BILL ANALYSIS

Senate Research Center
77R3075 JMG-D

S.B. 585
By: Carona
Business & Commerce
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DIGEST AND PURPOSE

Currently, the federal Farm Credit Act of 1971 preempts state laws from restricting or impairing the ability of Farm Credit System institutions from performing the functions for which they were established. The 76th Texas Legislature passed the Mortgage Brokers Licensing Act (MBLA) to extend regulatory oversight to a certain group and exempted several organizations that are already subject to federal regulations, but failed to exempt Farm Credit System institutions. As proposed, S.B. 585 adds a Farm Credit System institution to the list of entities or employees of entities to which MBLA does not apply.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 156.202, Finance Code, to add a Farm Credit System institution to the list of entities or employees of entities, providing that the employee is acting for the benefit of the employer, to which this chapter does not apply.

SECTION 2. Requires the savings and loan commissioner, not later than October 1, 2001, to reimburse an employee of a Farm Credit System institution who, on the effective date of this Act, holds a license issued under Chapter 156, Finance Code, the amount of any licensing fee, renewal fee, or recovery fund fee paid by the employee under that chapter that is attributable to a certain time period.

SECTION 3. Effective date: September 1, 2001.