

BILL ANALYSIS

Senate Research Center
82R2123 JE-D

S.B. 249
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Business & Commerce
2/17/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Finance Commission of Texas (finance commission) is a nine-member board appointed by the governor for six-year terms. The finance commission is composed of one banking executive, one savings bank executive, one mortgage broker, one representative from the consumer credit industry, and five citizen members, one of whom must be a certified public accountant.

The finance commission oversees the operations of the Texas Department of Banking, the Savings and Mortgage Lending Department, and the Office of the Consumer Credit Commissioner. The banking industry is significantly under-represented on the commission even though a majority of the finance commission's budget and a plurality of full-time equivalent employees are for the oversight of the banking industry. S.B. 249 amends current law relating to the composition of the finance commission by adding an additional banking executive and an additional citizen member.

As proposed, S.B. 249 amends current law relating to the composition of the Finance Commission of Texas.

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 Sections 11.101(a) and (b), Finance Code, as follows:

(a) Provides that the Finance Commission of Texas (finance commission) is composed of 11 members, rather than 9 members, appointed by the governor with the advice and consent of the senate.

(b) Provides that members of the finance commission serve staggered six-year terms, with as near as possible to one-third of the members' terms expiring February 1 of each even-numbered year, rather than providing that the members of the finance commission serve staggered terms of six years with the terms of one-third of the members expiring February 1 of each even-numbered year.

SECTION 2. Amends Sections 11.102(b) and (c), Finance Code, as follows:

(b) Requires that two members, rather than one member, of the finance commission be banking executives, one member of the finance commission be a savings executive, one member of the finance commission be a consumer credit executive, and one member of the finance commission be a mortgage broker.

(c) Requires that six members, rather than five members, of the finance commission be representatives of the general public.

SECTION 3. Requires the governor, as soon as practicable after the effective date of this Act, to appoint two additional members to the finance commission. Requires the governor, in

appointing those members, to appoint one person to a term expiring February 1, 2014, and one person to a term expiring February 1, 2016.

SECTION 4. Effective date: upon passage or September 1, 2011.