

BILL ANALYSIS

Senate Research Center
83R4510 AJA-F

S.B. 422
By: Duncan
State Affairs
2/20/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2219, 80th Legislature, Regular Session, 2007, clarified that service of a citation on a financial institution should be on its registered agent or, if none, then the president or branch manager at any office of the institution. However, H.B. 2219 only dealt with actions against a financial institution.

There are many other situations in which a bank or credit union is served, including service of subpoenas and other types of service relating to a customer's account. Currently, there are still situations in which subpoenas, for example, are simply dropped off at a branch bank.

S.B. 422 requires that any service of a citation be on the registered agent, or if none, the president or a branch manager.

As proposed, S.B. 422 amends current law relating to service of citation on a financial institution.

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 17.028, Civil Practice and Remedies Code, by amending Subsections (b) and (c) and adding Subsection (f), as follows:

(b) Authorizes that a citation, except as provided by Subsection (c), be served on a financial institution by serving certain agents of the financial institution, rather than authorizing a citation, except as provided by Subsection (c), in an action against a financial institution, to be served by serving certain agents of the financial institution.

(c) Authorizes that a citation be served on a credit union by serving certain agents of the credit union. Deletes existing text authorizing that a citation, in an action against a credit union organized under the laws of this state, another state, or federal law, be served by serving certain agents of the credit union.

(f) Provides that service on and delivery to a financial institution of claims against a customer of the financial institution are governed by Section 59.008 (Claims Against Customers of Financial Institutions), Finance Code.

SECTION 2. Effective date: upon passage or September 1, 2013.