

CHAPTER 255

H.B. No. 1173

AN ACT

relating to venue for trust company liquidations and exemptions for trust companies from certain provisions of the state banking code.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Article 2, Chapter XI, The Texas Banking Code (Article 342–1102, Vernon's Texas Civil Statutes), is amended to read as follows:

Art. 2. APPLICABILITY OF STATE BANKING CODE; *VENUE*

Sec. 1. Unless otherwise provided in this chapter, a trust company is subject to the provisions of Chapters I, II, III, IV, V, VIII, and IX of this code as if the trust company were a state bank; provided, however, that Article 1, Chapter III, relating to banking powers, Article 11a, Chapter IV, relating to securities law exemption, and Article 3, Chapter IX, relating to limited branch banking shall not apply.

Sec. 2. *Venue for an action instituted to effect, contest, or otherwise intervene in the liquidation of a trust company as provided in this chapter and Chapter VIII of this code (Article 342–801 et seq., Vernon's Texas Civil Statutes) is in Travis County, except that on motion filed and served concurrently with or before the filing of the answer, the court may, upon a finding of good cause, transfer the action to the county of the trust company's principal place of business.*

SECTION 2. Section 6, Article 3, Chapter XI, The Texas Banking Code (Article 342–1103, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 6. EXEMPTIONS. Trust companies by written application may request an exemption from *certain* [the] provisions of this code [chapter]. The Banking Commissioner may grant an exemption if the Banking Commissioner finds that a trust company does not transact business with the general public. *A trust company granted an exemption is not subject to the provisions of this code other than Articles 5 and 14, Chapter III of this code (Articles 342–305 and 342–314, Vernon's Texas Civil Statutes), and Articles 1 and 1a, Chapter IV of this code (Articles 342–401 and 342–401a, Vernon's Texas Civil Statutes).* A trust company that has been granted an exemption shall annually certify to the Banking Department that it is maintaining its exempt status. The Banking Commissioner may examine or cause to be examined such trust companies to verify the certification.

SECTION 3. The change in law made by this Act applies only to venue for trust company liquidation action filed or a trust company exemption granted on or after the effective date of this Act. An action filed or exemption granted before the effective date of this Act is governed by the law in effect at the time the action was filed or the exemption granted, and that law is continued in effect for that purpose.

SECTION 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the

constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on April 1, 1993, by a non-record vote; the House concurred in Senate amendments to H.B. No. 1173 on May 10, 1993: Yeas 138, Nays 0, 3 present, not voting; passed by the Senate, with amendments, on May 6, 1993: Yeas 31, Nays 0.

Approved May 23, 1993.

Effective May 23, 1993.