

CHAPTER 259

S.B. No. 864

AN ACT

relating to the discontinuance or reduction of interest on deposits.

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

SECTION 1. Article 4, Chapter VII, The Texas Banking Code of 1943 (Article 342-704, Vernon's Texas Civil Statutes), is amended to read as follows:

Art. 4. DEPOSITS—DISCONTINUANCE OR REDUCTION OF INTEREST. Any bank heretofore or hereafter contracting to pay interest on any deposit or investment certificate without a definite maturity date may reduce the rate of, or discontinue its liability for, interest by giving notice as provided by Section 2, Article 1, of this chapter for notice of an amendment to a depository contract. This article shall not affect any contractual provision relative to the reduction of the rate of, or the discontinuing of liability for, interest, *including provisions that may be contained in agreements for money market or negotiable order of withdrawal (NOW) accounts provided that the contract shall clearly state the fact that the rate of interest on such accounts is a variable rate, as well as the terms of such a rate.*

SECTION 2. 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 the Senate on April 6, 1987, by the following vote: Yeas 30, Nays 0. Passed the House on May 15, 1987, by the following vote: Yeas 144, Nays 0, one present not voting.

Approved May 28, 1987.

Effective May 28, 1987.