

BILL ANALYSIS

H.B. 2624
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Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to interested parties, the Texas Higher Education Coordinating Board has certain authority with regard to accountability for borrowers of loans administered by the coordinating board. H.B. 2624 seeks to extend that authority in relation to borrowers with certain state-issued professional or occupational licenses whose loans are in default.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board and to each applicable licensing agency that issues or renews a professional or occupational license in SECTION 1 of this bill and to the Supreme Court of Texas in SECTION 2 of this bill.

ANALYSIS

H.B. 2624 amends the Education Code to authorize a person who is in default on a loan administered by the Texas Higher Education Coordinating Board to enter into an agreement with the coordinating board for repayment of the defaulted loan and to require the coordinating board to provide the person with a certificate certifying that the person has entered a repayment agreement. The bill prohibits a licensing agency, defined by the bill as an agency in the executive branch of state government that issues or renews a professional or occupational license, from renewing the license of a licensee on a certain list, as provided for by the bill, provided by the coordinating board unless the licensee presents to the agency a certificate issued by the coordinating board certifying that the licensee has entered into a repayment agreement with the coordinating board on the defaulted loan or that the licensee is not in default on a loan administered by the coordinating board. The bill also prohibits a licensing agency from renewing the license of a licensee who defaults on a repayment agreement unless the licensee presents to the agency a certificate issued by the coordinating board certifying that the licensee has entered into another repayment agreement with the coordinating board on the defaulted loan or that the licensee is not in default on a loan administered by the coordinating board or on a repayment agreement.

H.B. 2624 requires the coordinating board to identify the licensing agencies subject to these requirements and to provide written notice to those agencies of the requirements. The bill establishes that only those licensing agencies that the coordinating board identifies and that receive such notice are required to carry out the requirements. The bill requires each licensing agency to annually prepare a list of the agency's licensees and to submit the list to the coordinating board in hard copy or electronic form. The bill requires the coordinating board to

use the submitted list to periodically identify the licensees on the list who are in default on loans administered by the coordinating board and to provide a list of those licensees to the appropriate licensing agencies in hard copy or electronic form.

H.B. 2624 requires a licensing agency to provide written notice of these nonrenewal policies to each applicant for a license or for renewal of a license and requires the coordinating board to provide written notice of those policies on each loan application form provided by the coordinating board and on each promissory note signed by a borrower. The bill establishes that failure to provide the notice does not affect the default status of a borrower or the prohibitions on renewal of a license held by a person in default. The bill requires a licensing agency to provide an opportunity for a hearing to a licensee before the agency takes action concerning the nonrenewal of a license. The bill requires each licensing agency subject to the bill's provisions, in consultation with the coordinating board, to adopt any rules necessary to carry out the licensing agency's duties as soon as practicable following the bill's effective date. The bill requires the coordinating board by rule to establish procedures to carry out the coordinating board's duties as soon as practicable after the bill's effective date and, for that purpose, authorizes the coordinating board to adopt the initial rules in the manner provided by law for emergency rules.

H.B. 2624 amends the Government Code to authorize the Supreme Court of Texas to adopt rules relating to the nonrenewal of the license of a lawyer who is in default on a loan administered by the coordinating board.

EFFECTIVE DATE

September 1, 2015.