

BILL ANALYSIS

Senate Research Center
82R6239 CLG-F

S.B. 1126
By: Eltife
Business & Commerce
5/14/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Office of Consumer Credit Commissioner (OCCC) is authorized to conduct examinations and investigations of property tax lenders. Such audits can uncover sensitive business and financial information that should remain confidential. Currently, the information yielded from an examination is deemed confidential and may not be disclosed outside of certain exceptions. OCCC investigations also address sensitive information that warrants an equal amount of protection.

OCCC is also authorized to review the amount of a documentary fee relating to a motor vehicle retail installment contract, and sensitive financial information used to support the fee is included in that review.

S.B. 1126 ensures that the confidentiality provisions apply not only to licensees but also unlicensed persons subject to investigations and that certain information relating to a motor vehicle seller's documentary fee is confidential.

As proposed, S.B. 1126 amends current law relating to the regulatory authority of the consumer credit commissioner.

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 14.2015, Finance Code, as follows:

Sec. 14.2015. CONFIDENTIALITY OF CERTAIN INFORMATION. (a) Provides that, except as provided by Subsection (b), information or material obtained or compiled by the consumer credit commissioner (commissioner) in relation to an examination or investigation by the commissioner or the commissioner's representative of a license holder, registrant, applicant, or other person under Subtitle B (Savings and Loan Associations) or C (Savings Banks), Title 4 (Regulation of Interest, Loans, and Financed Transactions) or Chapter 394 (Debtor Assistance) is confidential and may not be disclosed by the commissioner or an officer or employee of the Office of Consumer Credit Commissioner, including:

- (1) information obtained from a license holder, registrant, applicant, or other person examined or investigated under Subtitle B or C, Title 4, or Chapter 394, rather than information obtained from a license holder or registrant under Subtitle B or C, Title 4, or Chapter 394;
- (2) work performed by the commissioner or the commissioner's representative on information obtained from a license holder, registrant, applicant, or other person for the purposes of an examination or investigation conducted under Subtitle B or C, Title 4, or Chapter 394;

(3) a report on an examination or investigation of a license holder, registrant applicant or other person, rather than a license holder or registrant, conducted under Subtitle B or C, Title 4, or Chapter 394; and

(4) any written communications between the license holder, registrant, applicant, or other person, as applicable, and the commissioner or the commissioner's representative relating to or referencing an examination or investigation conducted under Subtitle B or C, Title 4, or Chapter 394.

(b) Authorizes the commissioner or the commissioner's representative to disclose the confidential information or material described by Subsection (a):

(1) to a department, agency, or instrumentality of this state or the United States if the commissioner considers disclosure to be necessary or proper to the enforcement of the law of this state or the United States and in the best interest of the public;

(2) if the license holder, or registrant, applicant, or other person consents to the release of the information or has published the information contained in the release; or

(3) if the commissioner determines that release of the information is required for an administrative hearing.

Makes nonsubstantive changes.

SECTION 2. Amends Subchapter E, Chapter 14, Finance Code, by adding Section 14.2016, as follows:

Sec. 14.2016. INFORMATION SHARING WITH DEPARTMENTS AND AGENCIES. Authorizes the commissioner, to ensure consistent enforcement of law and minimization of regulatory burdens, to share information, including criminal history or confidential information, relating to a license holder, registrant, applicant, or other person investigated or examined under the commissioner's authority with a department, agency, or instrumentality of this state, another state, or the United States if the commissioner considers the disclosure of the information to be necessary or proper to the enforcement of the laws of this state or the United States and in the best interest of the public. Provides that information otherwise confidential remains confidential after the information is shared under this section.

SECTION 3. Reenacts Section 411.081(i), Government Code, as amended by Chapters 183 (H.B. 1830), 780 (S.B. 1056), 816 (S.B. 1599), and 1027 (H.B. 4343), Acts of the 81st Legislature, Regular Session, 2009, and amends it to authorize a criminal agency to disclose criminal history record information that is the subject of an order of nondisclosure under Subsection (d) to certain noncriminal justice agencies or entities only, including the securities commissioner, the banking commissioner, the savings and mortgage lending commissioner, the consumer credit commissioner, or the credit union commissioner. Makes nonsubstantive changes.

SECTION 4. Amends Section 53.0211(a), Occupations Code, to provide that this section does not apply to an applicant for a license that would allow the applicant to provide certain services, including financial services in an industry regulated by the commissioner.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Provides that to the extent of any conflict, this Act prevails, over another Act of the 82nd Legislature, Regular Session, 2011, relating to nonsubstantive additions to and corrections in acted codes.

SECTION 7. Effective date: September 1, 2011.