

1-1 By: Paxton, et al. S.B. No. 707
 1-2 (In the Senate - Filed March 2, 2021; March 11, 2021, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 8, 2021, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; April 8, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hancock	X			
1-8 Nichols	X			
1-9 Campbell	X			
1-10 Creighton	X			
1-11 Johnson	X			
1-12 Menéndez	X			
1-13 Paxton	X			
1-14 Schwertner	X			
1-15 Whitmire	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the continuation and functions of the Credit Union
 1-20 Department and the Credit Union Commission.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter B, Chapter 15, Finance Code, is
 1-23 amended by adding Section 15.104 to read as follows:

1-24 Sec. 15.104. NOTIFICATION AND GUIDANCE ON ADOPTION OF
 1-25 CERTAIN FEDERAL LAWS OR REGULATIONS. The department shall promptly
 1-26 notify and issue guidance to all credit unions chartered in this
 1-27 state on the adoption of a federal law or regulation that:

1-28 (1) affects a power or authority conferred to credit
 1-29 unions under Section 123.003(a);

1-30 (2) takes effect immediately; and

1-31 (3) conflicts with state law.

1-32 SECTION 2. Section 15.2041, Finance Code, is amended by
 1-33 amending Subsection (b) and adding Subsection (d) to read as
 1-34 follows:

1-35 (b) The training program must provide the person with
 1-36 information regarding:

1-37 (1) the law governing department operations
 1-38 [legislation that created the department];

1-39 (2) the programs, functions, rules, and budget of the
 1-40 department;

1-41 (3) the scope of and limitations on the rulemaking
 1-42 authority of the commission;

1-43 (4) the results of the most recent formal audit of the
 1-44 department;

1-45 (5) [~~(4)~~] the requirements of:

1-46 (A) laws relating to open meetings, public
 1-47 information, administrative procedure, and disclosing conflicts of
 1-48 interest; and

1-49 (B) other laws applicable to members of a state
 1-50 policy-making body in performing their duties; and

1-51 (6) [~~(5)~~] any applicable ethics policies adopted by
 1-52 the department or the Texas Ethics Commission[~~, and~~

1-53 [~~(6)~~ the basic principles and responsibilities of
 1-54 credit union management].

1-55 (d) The commissioner shall create a training manual that
 1-56 includes the information required by Subsection (b). The
 1-57 commissioner shall distribute a copy of the training manual
 1-58 annually to each commission member. Each commission member shall
 1-59 sign and submit to the commissioner a statement acknowledging that
 1-60 the commission member received and has reviewed the training
 1-61 manual.

2-1 SECTION 3. Section 15.212, Finance Code, is amended to read
2-2 as follows:

2-3 Sec. 15.212. SUNSET PROVISION. The Credit Union Department
2-4 and the Credit Union Commission are subject to Chapter 325,
2-5 Government Code (Texas Sunset Act). Unless continued in existence
2-6 as provided by that chapter, the department and commission are
2-7 abolished September 1, 2033 [2021].

2-8 SECTION 4. Sections 15.409(b), (c), and (d), Finance Code,
2-9 are redesignated as Section 15.408, Finance Code, and amended to
2-10 read as follows:

2-11 Sec. 15.408. CONSUMER COMPLAINTS. (a) [(b)] The
2-12 department shall maintain a system to promptly and efficiently act
2-13 on complaints filed with the department. The department shall
2-14 maintain information about parties to the complaint, the subject
2-15 matter of the complaint, a summary of the results of the review or
2-16 investigation of the complaint, and its disposition.

2-17 (b) [(c)] The department shall make information available
2-18 describing its procedures for complaint investigation and
2-19 resolution.

2-20 (c) [(d)] The department shall periodically notify the
2-21 complaint parties [person filing the complaint and each person who
2-22 is the subject of the complaint] of the status of the complaint
2-23 until final disposition unless the notice would jeopardize an
2-24 investigation.

2-25 SECTION 5. Subchapter E, Chapter 15, Finance Code, is
2-26 amended by adding Section 15.4081 to read as follows:

2-27 Sec. 15.4081. COMPLAINT TRACKING; ANNUAL STATISTICAL
2-28 ANALYSIS. (a) To help identify and address regulatory issues and
2-29 constraints, the department shall track all phases of the complaint
2-30 and enforcement processes, including the receipt, investigation,
2-31 and disposition of complaints. The department shall maintain the
2-32 following information for each complaint:

2-33 (1) the basis for the complaint;

2-34 (2) the origin of the complaint, including whether the
2-35 complaint was issued from:

2-36 (A) another regulatory agency;

2-37 (B) a credit union member;

2-38 (C) a credit union employee;

2-39 (D) a member of the public; or

2-40 (E) a public or private entity;

2-41 (3) the number of days taken to resolve the complaint
2-42 from the date the complaint was received; and

2-43 (4) the disposition of the complaint, including:

2-44 (A) if no disciplinary action was taken, the
2-45 reasons no disciplinary action was taken;

2-46 (B) if disciplinary action was taken, the type of
2-47 disciplinary action taken, including the amount of any
2-48 administrative penalty or late fee;

2-49 (C) if dismissed or referred to another agency,
2-50 the details regarding dismissal or referral; and

2-51 (D) if ongoing, the current status of the
2-52 complaint.

2-53 (b) The department shall annually compile a statistical
2-54 analysis of the department's complaint and enforcement processes
2-55 for the preceding fiscal year. The analysis must include:

2-56 (1) the total number of complaints filed with the
2-57 department against credit unions;

2-58 (2) the number of open investigations at the end of the
2-59 fiscal year;

2-60 (3) the number of complaints that were resolved,
2-61 disaggregated by:

2-62 (A) the source of the complaint;

2-63 (B) the type of alleged violation;

2-64 (C) jurisdictional and non-jurisdictional
2-65 complaints;

2-66 (D) regulatory and nonregulatory complaints; and

2-67 (E) the disposition and type of action taken,
2-68 including any administrative penalty or late fee assessed; and

2-69 (4) the average number of days taken to resolve a

3-1 complaint, including complaints that were resolved through an
3-2 examination of a credit union.

3-3 SECTION 6. The heading to Section 15.409, Finance Code, is
3-4 amended to read as follows:

3-5 Sec. 15.409. CONSUMER INFORMATION [~~AND COMPLAINTS~~].

3-6 SECTION 7. Section 122.001(d), Finance Code, is repealed.

3-7 SECTION 8. The repeal of Section 122.001(d), Finance Code,
3-8 by this Act applies only to articles of incorporation filed on or
3-9 after the effective date of this Act. Articles of incorporation
3-10 filed before the effective date of this Act are governed by the law
3-11 in effect on the date the articles were filed, and the former law is
3-12 continued in effect for that purpose.

3-13 SECTION 9. (a) Except as provided by Subsection (b) of this
3-14 section, Section 15.2041, Finance Code, as amended by this Act,
3-15 applies to a member of the Credit Union Commission appointed
3-16 before, on, or after the effective date of this Act.

3-17 (b) A member of the Credit Union Commission who, before the
3-18 effective date of this Act, completed the training program required
3-19 by Section 15.2041, Finance Code, as that law existed before the
3-20 effective date of this Act, is only required to complete additional
3-21 training on the subjects added by this Act to the training program
3-22 required by Section 15.2041, Finance Code. A commission member
3-23 described by this subsection may not vote, deliberate, or be
3-24 counted as a member in attendance at a meeting of the commission
3-25 held on or after December 1, 2021, until the member completes the
3-26 additional training.

3-27 SECTION 10. This Act takes effect September 1, 2021.

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