

By: Leo-Wilson

H.B. No. 3661

A BILL TO BE ENTITLED

AN ACT

relating to the collection and publication of information regarding the use of environmental, social, or governance scores by certain financial institutions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 272 to read as follows:

CHAPTER 272. REPORTING REQUIREMENTS RELATING TO USE OF ENVIRONMENTAL, SOCIAL, OR GOVERNANCE SCORES

Sec. 272.001. DEFINITIONS. In this chapter:

(1) "Environmental, social, or governance score" means a score that is based on measuring a customer's exposure to long-term environmental, social, and governance risks.

(2) "Financial institution" means:

(A) a bank chartered under state law, including Chapter 32;

(B) a savings and loan association chartered under Chapter 62;

(C) a state savings bank chartered under Chapter 92;

(D) a credit union chartered under Chapter 122;
or

(E) a trust company chartered under the laws of this state.

1 Sec. 272.002. COLLECTION OF INFORMATION FROM FINANCIAL
2 INSTITUTIONS REGARDING USE OF ENVIRONMENTAL, SOCIAL, OR GOVERNANCE
3 SCORES. (a) A financial institution shall provide nonconfidential
4 information regarding the institution's policies for the use of
5 environmental, social, or governance scores to the finance
6 commission in the form and manner prescribed by the commission,
7 including whether an environmental, social, or governance score
8 affects the institution's determination of whether to make a loan
9 or other extension of credit to a customer.

10 (b) A financial institution shall provide updated
11 information to the commission under this section if the institution
12 substantively changes the institution's policies regarding
13 environmental, social, or governance scores.

14 Sec. 272.003. TRANSFER TO COMPTROLLER. The finance
15 commission shall provide information collected under this chapter
16 to the comptroller in the form and manner prescribed by the
17 comptroller.

18 Sec. 272.004. RULES. The finance commission may adopt
19 rules to implement this section.

20 SECTION 2. Subchapter B, Chapter 403, Government Code, is
21 amended by adding Section 403.0146 to read as follows:

22 Sec. 403.0146. PUBLICATION OF INFORMATION REGARDING USE OF
23 ENVIRONMENTAL, SOCIAL, OR GOVERNANCE SCORES. (a) In this section,
24 "environmental, social, or governance score" and "financial
25 institution" have the meanings assigned by Section 272.001, Finance
26 Code.

27 (b) The comptroller shall publish on the comptroller's

1 Internet website information regarding the use of environmental,
2 social, or governance scores by financial institutions in this
3 state using information collected under Chapter 272, Finance Code.

4 The information published must:

5 (1) include a list of each financial institution that
6 has committed to not using environmental, social, or governance
7 scores in lending in this state; and

8 (2) be written in language intended to be easily
9 understood by consumers.

10 SECTION 3. This Act takes effect September 1, 2023.