

Amend CSSB 1952 by adding the following SECTION, appropriately numbered, and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_ . Subtitle E, Title 3, Finance Code, is amended by adding Chapter 157 to read as follows:

CHAPTER 157. CREDIT REPORTING BUREAUS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 157.001. DEFINITIONS. In this chapter:

(1) "Commissioner" means the banking commissioner of Texas.

(2) "Credit reporting bureau" means a person who engages in the practice of assembling or reporting credit information about individuals for the purpose of furnishing the information to a third party.

(3) "Department" means the Texas Department of Banking.

(4) "Principal," in connection with management of a license holder or applicant, means a person who performs executive functions or otherwise controls the executive affairs of a license holder, including an owner, officer, director, partner, trustee, or manager of the license holder.

SUBCHAPTER B. POWERS AND DUTIES OF DEPARTMENT AND COMMISSION

Sec. 157.101. ADMINISTRATION. The department shall administer this chapter.

Sec. 157.102. RULES. (a) The Finance Commission of Texas may:

(1) adopt rules necessary to enforce and administer this chapter, including rules relating to an application for a license; and

(2) adopt rules to accomplish the purposes of Chapter 20, Business & Commerce Code, and any other law applicable to a credit reporting bureau, including rules reasonable or necessary to:

(A) implement and clarify Chapter 20, Business & Commerce Code; and

(B) defray the cost of enforcing Chapter 20, Business & Commerce Code, and any other law applicable to a credit

reporting bureau.

(b) In adopting rules under this section, the Finance Commission of Texas shall consider the necessity to:

(1) promote a stable consumer reporting environment;  
and

(2) provide adequate protection to consumers and their personal identifying information.

SUBCHAPTER C. APPLICATION FOR AND ISSUANCE OF LICENSE

Sec. 157.201. A credit reporting bureau may not engage in the practice of assembling or reporting credit information about individuals in this state for the purpose of furnishing the information to a third party, as a service or for consideration, unless the credit reporting bureau holds a license issued under this chapter.

Sec. 157.202. APPLICATION. (a) An application for a license must be in writing, sworn to, and filed with the commissioner in the form the commissioner prescribes.

(b) The application must:

(1) state the full legal name, federal taxpayer identification number or social security number, and business address of the applicant, and, the full legal name, federal taxpayer identification number or social security number, and the business address of:

(A) each individual who is a principal of the applicant; and

(B) each individual who is a principal of any person that is a principal of the applicant; and

(2) disclose any other information that may be required by rule or reasonably requested by the commissioner.

Sec. 157.203. ACCOMPANYING FEE, STATEMENTS, AND BOND. (a) An application for a license must be accompanied by:

(1) a nonrefundable application fee in an amount established by rule that is sufficient to administer this chapter;

(2) audited financial statements of the applicant that are reasonably satisfactory to the commissioner;

(3) the location of the home office of the applicant and of the main office of the applicant in this state; and

(4) a surety bond in the amount of \$100,000 that is:

(A) in a form satisfactory to the commissioner;

and

(B) issued by a bonding company or insurance company authorized to do business in this state.

Sec. 157.204. ISSUANCE OF LICENSE. On the filing of an application that meets the requirements of Sections 157.202 and 157.203, the commissioner shall issue a license to the applicant if the commissioner:

(1) approves the documents; and

(2) finds that the bond is in the prescribed amount.

Sec. 157.205. DENIAL OF LICENSE; HEARING. (a) A hearing must be held before a license may be denied.

(b) The commissioner shall give the applicant notice of the hearing.

#### SUBCHAPTER D. REQUIREMENTS TO MAINTAIN LICENSE

Sec. 157.301. INSUFFICIENT BOND. (a) If the commissioner at any time reasonably determines that the bond required by this chapter is insecure or deficient in amount, the commissioner by written order may require the license holder to file a new or supplemental bond to secure compliance with this chapter.

(b) The license holder shall comply with the order not later than the 30th day after the date on which the order is served.

Sec. 157.302. ANNUAL LICENSE FEE. (a) Not later than June 30 of each year, a license holder shall pay to the commissioner a license renewal fee in an amount established by rule.

(b) The fee required by Section 157.203(1) satisfies the license fee requirement for the first license year or part of that year.

Sec. 157.303. REVOCATION OF LICENSE. (a) The commissioner may revoke a license:

(1) on a ground on which the commissioner may refuse to grant a license; or

(2) for a violation of this chapter.

(b) The commissioner may investigate the business and records of a license holder if the commissioner has reasonable cause to believe that grounds for revocation exist.

Sec. 157.304. HEARING ON LICENSE REVOCATION. (a) The commissioner shall give a license holder an opportunity for a hearing before a license may be revoked.

(b) The commissioner shall give the license holder notice of the hearing.

SUBCHAPTER E. CRIMINAL PENALTIES AND CIVIL REMEDIES

Sec. 157.401. CRIMINAL PENALTY. (a) A person commits an offense if the person intentionally:

(1) makes an untrue statement of a material fact in an application or report required to be filed with the commissioner under this chapter; or

(2) violates Section 157.201.

(b) An offense under this section is a third degree felony.

Sec. 157.402. ADMINISTRATIVE PENALTY. (a) The commissioner may impose an administrative penalty on a person in an amount specified by the commissioner if, after notice and hearing, the commissioner finds the person has violated:

(1) this chapter;

(2) a rule adopted under this chapter; or

(3) an order of the commissioner issued under this chapter.

(b) The amount of the penalty may not exceed:

(1) \$1,000 for each violation; or

(2) \$1,000 for each day the violation continues.

Sec. 157.403. SUIT BY ATTORNEY GENERAL. The attorney general may sue on behalf of claimants on the bond required by Section 152.203(4) in a district court in Travis County, either in one action or successive actions.