

BILL ANALYSIS

H.B. 2040
By: Marchant
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law may restrict information sharing among oversight agencies with respect to investigations. Recent revelations about corporate fraud demonstrate that oversight agencies need adequate investigative tools to address these complex cases. House Bill 2040 expressly allows the State Board of Public Accountancy, the Office of the Attorney General, the State Securities Board, the Texas Department of Insurance, and the Public Utility Commission to share information, while maintaining appropriate security safeguards.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, institution, or agency.

ANALYSIS

House Bill 2040 adds Subchapter C, Chapter 555 of the Government Code to provide that the Attorney General, the Department of Insurance, the State Board of Public Accountancy, the Public Utility Commission of Texas, or the State Securities Board may share confidential information that relates to a person who is licensed or otherwise regulated by any of those agencies.

The confidential information may be shared with one or more of the other listed agencies for investigative purposes. The bill further provides that any shared confidential information remains confidential, and legal restrictions on access to the information remain in effect.

The bill requires a state agency that receives shared information to keep the information secure and limit access to the information within the agency to agency personnel who need access. The agency may disclose the information only 1) to another agency listed in Sec. 555.051, Government Code; 2) to bring or prosecute a contested case or court action to prevent a violation of law or to impose sanctions or penalties in connection with a violation; 3) to an appropriate law enforcement agency or prosecutor if the state agency determines the information may be evidence of an offense; or, 4) under a court order or subpoena showing disclosure of the information is necessary to protect the public health, safety, or welfare.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

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