

By: Marchant

H.B. No. 2040

A BILL TO BE ENTITLED

AN ACT

relating to authorizing certain state agencies to share information for investigative purposes.

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

SECTION 1. Chapter 555, Government Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. SHARING CONFIDENTIAL INFORMATION

Sec. 555.051. INFORMATION SHARING AMONG CERTAIN AGENCIES.

(a) This section applies only to information held by or for the office of the attorney general, the Texas Department of Insurance, the Texas State Board of Public Accountancy, the Public Utility Commission of Texas, or the State Securities Board that relates to the possible commission of corporate fraud by a person who is licensed or otherwise regulated by any of those state agencies. In this subsection, "corporate fraud" means a violation of state or federal law or rules relating to fraud committed by a corporation, limited liability company, or registered limited liability partnership or an officer, director, or partner of those entities while acting in a representative capacity.

(b) Each of the agencies listed in Subsection (a), on request or on its own initiative, may share confidential information or information to which access is otherwise restricted by law with one or more of the other agencies listed in Subsection (a) for investigative purposes pursuant to Subsection (a). Except

1 as provided by this section, confidential information that is
2 shared under this section remains confidential under law and legal
3 restrictions on access to the information remain in effect.

4 (c) A state agency that receives shared information under
5 this section:

6 (1) shall keep the information secure and limit access
7 to the information within the agency to agency personnel who need
8 access for investigative purposes; and

9 (2) may disclose the information obtained pursuant to
10 Subsection (a) only:

11 (A) to another agency listed in Subsection (a) in
12 accordance with this section;

13 (B) to another agency listed in Subsection (a) to
14 the extent necessary to bring or prosecute a contested case or court
15 action to restrain or prevent a violation of law or to impose
16 sanctions or penalties in connection with a violation of law;

17 (C) to an appropriate law enforcement agency or
18 prosecutor if the state agency determines that the information may
19 be evidence of an offense or evidence that a particular person
20 committed an offense; or

21 (D) under a court order or subpoena obtained
22 after a showing to a court that disclosure of the information is
23 necessary to protect the public health, safety, or welfare.

24 (d) This section does not limit or restrict information
25 sharing among agencies as otherwise provided by law.

26 SECTION 2. The heading to Chapter 555, Government Code, is
27 amended to read as follows:

1 CHAPTER 555. STATE AGENCY RECORDS RELATING TO LICENSE HOLDERS OR
2 OTHER REGULATED PERSONS

3 SECTION 3. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2003.