

1-1 By: Marchant (Senate Sponsor - Ellis) H.B. No. 2040  
1-2 (In the Senate - Received from the House May 12, 2003;  
1-3 May 13, 2003, read first time and referred to Committee on  
1-4 Jurisprudence; May 22, 2003, reported favorably by the following  
1-5 vote: Yeas 5, Nays 0; May 22, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to authorizing certain state agencies to share information  
1-9 for investigative purposes.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Chapter 555, Government Code, is amended by  
1-12 adding Subchapter C to read as follows:

1-13 SUBCHAPTER C. SHARING CONFIDENTIAL INFORMATION

1-14 Sec. 555.051. INFORMATION SHARING AMONG CERTAIN AGENCIES.

1-15 (a) This section applies only to information held by or for the  
1-16 office of the attorney general, the Texas Department of Insurance,  
1-17 the Texas State Board of Public Accountancy, the Public Utility  
1-18 Commission of Texas, or the State Securities Board that relates to  
1-19 the possible commission of corporate fraud by a person who is  
1-20 licensed or otherwise regulated by any of those state agencies. In  
1-21 this subsection, "corporate fraud" means a violation of state or  
1-22 federal law or rules relating to fraud committed by a corporation,  
1-23 limited liability company, or registered limited liability  
1-24 partnership or an officer, director, or partner of those entities  
1-25 while acting in a representative capacity.

1-26 (b) Each of the agencies listed in Subsection (a), on  
1-27 request or on its own initiative, may share confidential  
1-28 information or information to which access is otherwise restricted  
1-29 by law with one or more of the other agencies listed in Subsection  
1-30 (a) for investigative purposes pursuant to Subsection (a). Except  
1-31 as provided by this section, confidential information that is  
1-32 shared under this section remains confidential under law and legal  
1-33 restrictions on access to the information remain in effect.

1-34 (c) A state agency that receives shared information under  
1-35 this section:

1-36 (1) shall keep the information secure and limit access  
1-37 to the information within the agency to agency personnel who need  
1-38 access for investigative purposes; and

1-39 (2) may disclose the information obtained pursuant to  
1-40 Subsection (a) only:

1-41 (A) to another agency listed in Subsection (a) in  
1-42 accordance with this section;

1-43 (B) to another agency listed in Subsection (a) to  
1-44 the extent necessary to bring or prosecute a contested case or court  
1-45 action to restrain or prevent a violation of law or to impose  
1-46 sanctions or penalties in connection with a violation of law;

1-47 (C) to an appropriate law enforcement agency or  
1-48 prosecutor if the state agency determines that the information may  
1-49 be evidence of an offense or evidence that a particular person  
1-50 committed an offense; or

1-51 (D) under a court order or subpoena obtained  
1-52 after a showing to a court that disclosure of the information is  
1-53 necessary to protect the public health, safety, or welfare.

1-54 (d) This section does not limit or restrict information  
1-55 sharing among agencies as otherwise provided by law.

1-56 SECTION 2. The heading to Chapter 555, Government Code, is  
1-57 amended to read as follows:

1-58 CHAPTER 555. STATE AGENCY RECORDS RELATING TO LICENSE HOLDERS OR  
1-59 OTHER REGULATED PERSONS

1-60 SECTION 3. This Act takes effect immediately if it receives  
1-61 a vote of two-thirds of all the members elected to each house, as  
1-62 provided by Section 39, Article III, Texas Constitution. If this  
1-63 Act does not receive the vote necessary for immediate effect, this  
1-64 Act takes effect September 1, 2003.

1-65 \* \* \* \* \*