

BILL ANALYSIS

Senate Research Center
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S.B. 1702
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Transportation & Homeland Security
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill centralizes state efforts to combat money laundering by requiring the attorney general to set up a task force to form a strategic partnership with state, federal, and local law enforcement agencies.

Money laundering is a complicated and diverse criminal activity occurring in this state and helping to fuel the drug cartels in Mexico and South America. Policing, proving, and prosecuting this crime involves a number of different state, federal, and local agencies. By putting the attorney general in charge of coordinating these efforts we strengthen our communication and enforcement of current efforts.

Members of the task force would include the attorney general, the Department of Public Safety director, the banking commissioner, the credit union commissioner, securities commissioners, savings and mortgage lending commissioner, and the comptroller of public accounts.

The task force focuses on sharing information and resources, and successfully enforcing administrative and criminal actions against perpetrators of money laundering. The confidential information and communications of the task force are protected.

The task force will be required to submit an annual report that describes agency progress for those represented on the task force, and includes recommendations for strengthening state and local efforts to prevent money laundering.

The office of the attorney general shall oversee the administration of the task force. The agencies may solicit gifts, grants, and donations of money, services, and property on behalf of the state for disbursement to any state agency to aid the task force in enforcement and prosecution of money laundering in Texas.

As proposed, S.B. 1702 amends current law relating to the establishment of a task force to enhance the prosecution and tracking of money laundering in this state.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 402, Government Code, by adding Section 402.038, as follows:

Sec. 402.038. MONEY LAUNDERING TASK FORCE. (a) Defines, in this section, "money laundering" and "task force."

(b) Requires the office of the attorney general (OAG) to establish the money laundering task force (task force) to form a strategic partnership between state, federal, and local law enforcement agencies to better enable law enforcement and

state agencies to take a proactive stance towards tracking and prosecuting money laundering and the perpetrators of money laundering statewide.

(c) Provides that the task force consists of the following persons or their appointees:

- (1) the attorney general;
- (2) the public safety director of the Department of Public Safety of the State of Texas;
- (3) the banking commissioner;
- (4) the credit union commissioner;
- (5) the securities commissioner;
- (6) the savings and mortgage lending commissioner; and
- (7) the comptroller of public accounts.

(d) Authorizes the task force to request assistance from the Federal Bureau of Investigation, United States Secret Service, United States Department of Justice, United States Department of Homeland Security, Internal Revenue Service, United States Department of the Treasury, United States Postal Service, and any other federal agency the task force determines to be appropriate.

(e) Requires the task force to focus its efforts in sharing information and resources, and successfully enforcing administrative and criminal actions against perpetrators of money laundering.

(f) Authorizes the agencies of persons listed in Subsection (c) to share confidential information or information to which access is otherwise restricted by law with one or more of the other agencies of the persons listed in Subsection (c) for investigative purposes described by Subsection (b). Provides that, except as provided by this subsection, confidential information that is shared under this subsection remains confidential and legal restrictions on access to the information apply.

(g) Requires the task force to submit to the governor, lieutenant governor, and speaker of the house of representatives an annual report that:

- (1) describes the progress of each agency of the persons listed in Subsection (c) in accomplishing the purposes described by Subsection (b); and
- (2) includes recommendations for strengthening state and local efforts to prevent money laundering.

(h) Requires OAG to oversee the administration of the task force. Requires OAG to provide the necessary facilities to assist the task force in performing its duties. Requires each agency of the persons listed in Subsection (c) to provide the necessary staff to assist the task force in performing its duties.

(i) Authorizes the agencies of the persons listed in Subsection (c) to solicit and accept gifts, grants, and donations of money, services, or property on behalf of the state for disbursement to any state agency or local law enforcement agency to aid the task force in the investigation and prosecution of money laundering in this state.

SECTION 2. Effective date: upon passage or September 1, 2011.