

## **BILL ANALYSIS**

Senate Research Center  
83R2733 DDT-F

S.B. 192  
By: Carona  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

As a regulator of financial institutions, the Texas Department of Banking (TDB) maintains highly sensitive information regarding financial institutions and their customers, much of which is held confidential under either state or federal law. The information is maintained in a database, to which some employees have access. TDB employees may also have access to a number of highly confidential federal databases. Unauthorized disclosures can result in substantial harm to financial institutions and to those persons and entities, including other financial institutions, that have relationships with them. Therefore, TDB's ability to obtain criminal background checks for employees is an indispensable tool in order to protect this information.

The commissioner of banking (commissioner) has authority to obtain criminal background checks on employees who have access to TDB information resources technologies, however, this authority does not extend to all persons who work for or provide services for TDB.

TDB also regulates perpetual care cemeteries. Current law grants the commissioner authority to obtain criminal background checks on applicants for licenses and charters, but the commissioner's authority does not extend to applicants for perpetual care cemetery certificates. In the past, there have been instances of perpetual care cemetery owners defrauding clients. The ability to obtain background checks on applicants for perpetual care cemetery certificates would help prevent future fraud.

S.B. 192 extends TDB's authority to conduct criminal background checks to all TDB employees, persons who provide services to TDB, and applicants for perpetual care cemetery certificates.

As proposed, S.B. 192 amends current law relating to access to criminal history record information by the commissioner of banking.

### **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 Section 411.092(a), Government Code, as follows:

(a) Authorizes the banking commissioner to obtain from the Department of Public Safety of the State of Texas (DPS) criminal history record information maintained by DPS that relates to a person who is:

(1) an applicant for a license, charter, or other authority granted or issued by the banking commissioner under Subtitle A (Banks), F (Trust Companies), or G (Bank Holding Companies; Interstate Bank Operations), Title 3, Finance Code; Chapter 151 (Regulation of Money Services Businesses) or 154 (Prepaid Funeral Services), Finance Code; or Chapter 712 (Perpetual Care Cemeteries), Health and Safety Code, rather than under Subtitle A, Title 3, Finance Code, or any successor

to that law, or Chapter 152 (Check Sellers) [Repealed], 153 (Currency Exchange, Transportation, or Transmission) [Repealed], or 154, Finance Code;

(2) a principal of an applicant under Subdivision (1);

(3) an employee of or applicant for employment or volunteer with the Texas Department of Banking (TDB); or

(4) a contractor or subcontractor of TDB.

SECTION 2. Effective date: September 1, 2013.