

BILL ANALYSIS

Senate Research Center
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S.B. 926
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In many court proceedings, financial records of a customer are requested as part of the case record. However, the producing financial institutions are not being compensated by the requesting parties, resulting in a loss to the financial institution. There is currently no requirement that the costs for production or a cost bond be posted prior to the actual production of records.

S.B. 926 addresses this oversight by allowing the financial institution to withhold the financial records requested until the requesting party has paid the costs or posted a cost bond. The court may not require the production of the records or hold the financial institution in contempt of court for a failure to produce the records.

As proposed, S.B. 926 amends current law relating to the compelled production of certain customer records by a financial institution.

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 59.006, Finance Code, by adding Subsection (b-1), as follows:

(b-1) Prohibits a court, if the requesting party has not paid a financial institution's costs or posted a cost bond as required by Subsection (b)(2), from:

- (1) ordering the financial institution to produce a record in response to the record request; or
- (2) finding the financial institution to be in contempt of court for failing to produce the record.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2015.