

By: Buckingham

S.B. No. 296

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the abolition of student loan default or breach of a
3 student loan repayment or scholarship contract as a ground for
4 nonrenewal or other disciplinary action in relation to a
5 professional or occupational license and to certain duties of state
6 agencies and political subdivisions in relation to delinquent or
7 defaulted student loans.

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

9 SECTION 1. Section 57.49, Education Code, is amended to
10 read as follows:

11 Sec. 57.49. COOPERATION OF STATE AGENCIES AND SUBDIVISIONS.
12 Each agency and political subdivision of the state shall cooperate
13 with the corporation in providing information to the agency's or
14 political subdivision's clients concerning student financial aid,
15 including information about default prevention. [~~Each agency and
16 political subdivision shall provide information to the corporation
17 on request to assist the corporation in curing delinquent loans and
18 collecting defaulted loans.~~]

19 SECTION 2. Subchapter C, Chapter 57, Education Code, is
20 amended by adding Section 57.492 to read as follows:

21 Sec. 57.492. PROHIBITION AGAINST DENIAL OR NONRENEWAL OF
22 PROFESSIONAL OR OCCUPATIONAL LICENSE FOR STUDENT LOAN DEFAULT;
23 DUTIES OF LICENSING AGENCY. (a) In this section:

24 (1) "License" means a certificate or similar form of

1 permission issued or renewed by a licensing agency and required by
2 law to engage in a profession or occupation.

3 (2) "Licensee" means a person to whom a licensing
4 agency issues a license.

5 (3) "Licensing agency" means a board, commission,
6 department, or other agency in the executive branch of state
7 government that issues or renews a license.

8 (b) A licensing agency may not deny the issuance of a
9 license to a person or the renewal of a person's license based
10 solely on the default status of the person's student loan
11 guaranteed by the corporation.

12 (c) A licensing agency shall cooperate with the corporation
13 in providing information to a licensee concerning student financial
14 aid, including information about loan default prevention.

15 (d) A licensing agency is not required to assist the
16 corporation in curing delinquent loans or collecting defaulted
17 loans, including by providing licensee lists to the corporation.

18 SECTION 3. Section 157.015(g), Finance Code, is amended to
19 read as follows:

20 (g) The commissioner may deny the renewal application for a
21 residential mortgage loan originator license if:

22 (1) the person seeking the renewal of the residential
23 mortgage loan originator license is in violation of this chapter,
24 Chapter 156, or Chapter 180, an applicable rule adopted under this
25 chapter, Chapter 156, or Chapter 180, or any order previously
26 issued to the person by the commissioner;

27 (2) the person seeking renewal of the residential

1 mortgage loan originator license is in default in the payment of any
2 administrative penalty, fee, charge, or other indebtedness owed
3 under this title; or

4 (3) [~~the person seeking the renewal of the residential~~
5 ~~mortgage loan originator license is in default on a student loan~~
6 ~~administered by the Texas Guaranteed Student Loan Corporation,~~
7 ~~under Section 57.491, Education Code, or~~

8 [(4)] during the current term of the license, the
9 commissioner becomes aware of any fact, other than default on a
10 student loan administered by the Texas Guaranteed Student Loan
11 Corporation, that would have been grounds for denial of an original
12 license if the fact had been known by the commissioner on the date
13 the license was granted.

14 SECTION 4. Sections 466.155(a) and (g), Government Code,
15 are amended to read as follows:

16 (a) After a hearing, the director shall deny an application
17 for a license or the commission shall suspend or revoke a license if
18 the director or commission, as applicable, finds that the applicant
19 or sales agent:

20 (1) is an individual who:

21 (A) has been convicted of a felony, criminal
22 fraud, gambling or a gambling-related offense, or a misdemeanor
23 involving moral turpitude, if less than 10 years has elapsed since
24 the termination of the sentence, parole, mandatory supervision, or
25 probation served for the offense;

26 (B) is or has been a professional gambler;

27 (C) is married to an individual:

1 (i) described in Paragraph (A) or (B); or
2 (ii) who is currently delinquent in the
3 payment of any state tax;

4 (D) is an officer or employee of the commission
5 or a lottery operator; or

6 (E) is a spouse, child, brother, sister, or
7 parent residing as a member of the same household in the principal
8 place of residence of a person described by Paragraph (D);

9 (2) is not an individual, and an individual described
10 in Subdivision (1):

11 (A) is an officer or director of the applicant or
12 sales agent;

13 (B) holds more than 10 percent of the stock in the
14 applicant or sales agent;

15 (C) holds an equitable interest greater than 10
16 percent in the applicant or sales agent;

17 (D) is a creditor of the applicant or sales agent
18 who holds more than 10 percent of the applicant's or sales agent's
19 outstanding debt;

20 (E) is the owner or lessee of a business that the
21 applicant or sales agent conducts or through which the applicant
22 will conduct a ticket sales agency;

23 (F) shares or will share in the profits, other
24 than stock dividends, of the applicant or sales agent; or

25 (G) participates in managing the affairs of the
26 applicant or sales agent;

27 (3) has been finally determined to be[+]

1 ~~[(A)]~~ delinquent in the payment of a tax or other
2 money collected by the comptroller, the Texas Workforce Commission,
3 or the Texas Alcoholic Beverage Commission;

4 ~~[(B) in default on a loan made under Chapter 52,~~
5 ~~Education Code, or~~

6 ~~[(C) in default on a loan guaranteed under~~
7 ~~Chapter 57, Education Code,]~~

8 (4) is a person whose location for the sales agency is:

9 (A) a location licensed for games of bingo under
10 Chapter 2001, Occupations Code;

11 (B) on land that is owned by:

12 (i) this state; or

13 (ii) a political subdivision of this state
14 and on which is located a public primary or secondary school, an
15 institution of higher education, or an agency of the state; or

16 (C) a location for which a person holds a wine and
17 beer retailer's permit, mixed beverage permit, mixed beverage late
18 hours permit, private club registration permit, or private club
19 late hours permit issued under Chapter 25, 28, 29, 32, or 33,
20 Alcoholic Beverage Code, other than a location for which a person
21 holds a wine and beer retailer's permit issued under Chapter 25,
22 Alcoholic Beverage Code, that derives less than 30 percent of the
23 location's gross receipts from the sale or service of alcoholic
24 beverages; or

25 (5) has violated this chapter or a rule adopted under
26 this chapter.

27 (g) For purposes of Subsection (a)(3), the comptroller,

1 Texas Workforce Commission, and Texas Alcoholic Beverage
2 Commission[, ~~Texas Higher Education Coordinating Board, and Texas~~
3 ~~Guaranteed Student Loan Corporation~~] shall each provide the
4 executive director with a report of persons who have been finally
5 determined to be delinquent in the payment of any money owed to or
6 collected by that agency. The commission shall adopt rules
7 regarding the form and frequency of reports under this subsection.

8 SECTION 5. The following laws are repealed:

- 9 (1) Section 57.491, Education Code;
- 10 (2) Section 82.022(c), Government Code;
- 11 (3) Section 154.110(e), Government Code; and
- 12 (4) Chapter 56, Occupations Code.

13 SECTION 6. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2019.