

By: Nichols, et al.

S.B. No. 614

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the continuation and functions of the Finance  
3 Commission of Texas, the Texas Department of Banking, and the  
4 Department of Savings and Mortgage Lending, to the training  
5 requirements applicable to the agencies overseen by the Finance  
6 Commission of Texas, and to the regulation of certain financial  
7 institutions and businesses.

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

9 SECTION 1. Section 11.108, Finance Code, is amended to read  
10 as follows:

11 Sec. 11.108. SUNSET PROVISION. The finance commission is  
12 subject to Chapter 325, Government Code (Texas Sunset Act). Unless  
13 continued in existence as provided by that chapter, the commission  
14 is abolished September 1, 2031 [~~2019~~].

15 SECTION 2. Section 11.110, Finance Code, is amended by  
16 adding Subsections (d) and (e) to read as follows:

17 (d) The commissioner of each finance agency shall create a  
18 training manual that includes the information required by  
19 Subsection (b) applicable to that commissioner's agency. The  
20 commissioner of each finance agency shall distribute a copy of the  
21 training manual created under this subsection annually to each  
22 member of the finance commission. Each member of the finance  
23 commission shall sign and submit to the appropriate commissioner a  
24 statement acknowledging that the member received and has reviewed

1 the training manual.

2 (e) Notwithstanding Subsection (d), the commissioner of  
3 each finance agency may collaborate and jointly create one training  
4 manual that includes the information required by Subsection (b)  
5 applicable to each finance agency.

6 SECTION 3. Subchapter B, Chapter 11, Finance Code, is  
7 amended by adding Section 11.113 to read as follows:

8 Sec. 11.113. ADVISORY COMMITTEES. (a) The finance  
9 commission may appoint advisory committees to assist the finance  
10 commission in performing its duties.

11 (b) The finance commission shall specify each committee's  
12 purpose, powers, and duties and shall require each committee to  
13 report to the finance commission in the manner specified by the  
14 finance commission concerning the committee's activities and the  
15 results of its work.

16 SECTION 4. Section 11.202(b), Finance Code, is amended to  
17 read as follows:

18 (b) The Texas Department of Banking may employ a hearings  
19 officer to serve the finance agencies as determined by interagency  
20 agreement. For the purposes of Section 2003.021, Government Code,  
21 a hearings officer employed under this section is considered to be  
22 an employee of each agency for which hearing services are provided.  
23 The hearings officer's only duty is to preside over matters related  
24 to contested cases before a finance agency [~~or the finance~~  
25 ~~commission~~].

26 SECTION 5. Section 12.108, Finance Code, is amended to read  
27 as follows:

1           Sec. 12.108. CONSUMER INFORMATION AND COMPLAINTS. (a) The  
2 department [~~banking commissioner~~] shall maintain a system to  
3 promptly and efficiently act on complaints filed with the  
4 department. The department shall maintain information about  
5 parties to the complaint, the subject matter of the complaint, a  
6 summary of the results of the review or investigation of the  
7 complaint, and its disposition[+]

8                   [~~(1) prepare information of consumer interest~~  
9 ~~describing:~~

10                           [~~(A) the regulatory functions of the department,~~  
11 ~~and~~

12                           [~~(B) the department's procedures by which~~  
13 ~~consumer complaints are filed with and resolved by the department,~~  
14 ~~and~~

15                   [~~(2) make the information available to the public and~~  
16 ~~appropriate state agencies].~~

17           (b) The department shall make information available  
18 describing its procedures for complaint investigation and  
19 resolution [~~maintain a file on each written complaint filed with~~  
20 ~~the department. The file must include:~~

21                   [~~(1) the name of the person who filed the complaint,~~

22                   [~~(2) the date the complaint is received by the~~  
23 ~~department,~~

24                   [~~(3) the subject matter of the complaint,~~

25                   [~~(4) the name of each person contacted in relation to~~  
26 ~~the complaint,~~

27                   [~~(5) a summary of the results of the review or~~

1 ~~investigation of the complaint, and~~

2 ~~[(6) an explanation of the reason the file was~~  
3 ~~closed].~~

4 (c) The department shall periodically notify the complaint  
5 parties of the status of the complaint until final disposition  
6 ~~[provide to the person filing the complaint and to each person who~~  
7 ~~is a subject of the complaint a written summary of the department's~~  
8 ~~policies and procedures relating to complaint investigation and~~  
9 ~~resolution].~~

10 SECTION 6. Section [12.109](#), Finance Code, is amended to read  
11 as follows:

12 Sec. 12.109. SUNSET PROVISION. The office of banking  
13 commissioner is subject to Chapter [325](#), Government Code (Texas  
14 Sunset Act). Unless continued in existence as provided by that  
15 chapter, the office is abolished September 1, 2031 ~~[2019]~~.

16 SECTION 7. Subchapter B, Chapter [12](#), Finance Code, is  
17 amended by adding Sections 12.113 and 12.114 to read as follows:

18 Sec. 12.113. ALTERNATIVE RULEMAKING AND DISPUTE  
19 RESOLUTION. (a) The finance commission by rule shall develop a  
20 policy to encourage the use of:

21 (1) negotiated rulemaking procedures under Chapter  
22 [2008](#), Government Code, for the adoption of rules by the finance  
23 commission applicable to the department; and

24 (2) appropriate alternative dispute resolution  
25 procedures under Chapter [2009](#), Government Code, to assist in the  
26 resolution of internal and external disputes under the department's  
27 jurisdiction.

1       (b) The procedures applicable to the department relating to  
2 alternative dispute resolution must conform, to the extent  
3 possible, to any model guidelines issued by the State Office of  
4 Administrative Hearings for the use of alternative dispute  
5 resolution by state agencies.

6       (c) The department shall:

7           (1) coordinate the implementation of the policy  
8 adopted under Subsection (a);

9           (2) provide training as needed to implement the  
10 procedures for negotiated rulemaking or alternative dispute  
11 resolution; and

12           (3) collect data concerning the effectiveness of those  
13 procedures.

14       Sec. 12.114. ADVISORY COMMITTEES. (a) The banking  
15 commissioner may appoint advisory committees to assist the  
16 department and banking commissioner in performing their duties.

17       (b) The banking commissioner shall specify each committee's  
18 purpose, powers, and duties and shall require each committee to  
19 report to the banking commissioner or department in the manner  
20 specified by the banking commissioner concerning the committee's  
21 activities and the results of its work.

22       SECTION 8. Sections 13.011(a), (b), and (c), Finance Code,  
23 are amended to read as follows:

24       (a) The Department of Savings and Mortgage Lending [~~savings~~  
25 ~~and mortgage lending commissioner~~] shall maintain a system to  
26 promptly and efficiently act on complaints filed with that  
27 department. The Department of Savings and Mortgage Lending shall

1 maintain information about parties to the complaint, the subject  
2 matter of the complaint, a summary of the results of the review or  
3 investigation of the complaint, and its disposition [~~prepare~~  
4 ~~information of consumer interest describing.~~

5 [~~(1) the regulatory functions of the Department of~~  
6 ~~Savings and Mortgage Lending; and~~

7 [~~(2) the procedures by which consumer complaints are~~  
8 ~~filed with and resolved by the Department of Savings and Mortgage~~  
9 ~~Lending].~~

10 (b) The Department of Savings and Mortgage Lending shall  
11 make information [~~under Subsection (a) must be made]~~ available  
12 describing its procedures for complaint investigation and  
13 resolution [~~to the public and appropriate state agencies].~~

14 (c) The Department of Savings and Mortgage Lending shall  
15 periodically notify the complaint parties of the status of the  
16 complaint until final disposition [~~maintain a file on each written~~  
17 ~~complaint filed with the Department of Savings and Mortgage~~  
18 ~~Lending. The file must include:~~

19 [~~(1) the name of the person who filed the complaint,~~

20 [~~(2) the date the complaint is received by the~~  
21 ~~Department of Savings and Mortgage Lending,~~

22 [~~(3) the subject matter of the complaint,~~

23 [~~(4) the name of each person contacted in relation to~~  
24 ~~the complaint,~~

25 [~~(5) a summary of the results of the review or~~  
26 ~~investigation of the complaint, and~~

27 [~~(6) an explanation of the reason the file was closed,~~

1 ~~if the agency closed the file without taking action other than to~~  
2 ~~investigate the complaint].~~

3 SECTION 9. Section 13.012, Finance Code, is amended to read  
4 as follows:

5 Sec. 13.012. SUNSET PROVISION. The office of savings and  
6 mortgage lending commissioner and the Department of Savings and  
7 Mortgage Lending are subject to Chapter 325, Government Code (Texas  
8 Sunset Act). Unless continued in existence as provided by that  
9 chapter, the office and department are abolished September 1, 2031  
10 [~~2019~~].

11 SECTION 10. Chapter 13, Finance Code, is amended by adding  
12 Sections 13.017 and 13.018 to read as follows:

13 Sec. 13.017. ALTERNATIVE RULEMAKING AND DISPUTE  
14 RESOLUTION. (a) The finance commission by rule shall develop a  
15 policy to encourage the use of:

16 (1) negotiated rulemaking procedures under Chapter  
17 2008, Government Code, for the adoption of rules by the finance  
18 commission applicable to the Department of Savings and Mortgage  
19 Lending; and

20 (2) appropriate alternative dispute resolution  
21 procedures under Chapter 2009, Government Code, to assist in the  
22 resolution of internal and external disputes under the Department  
23 of Savings and Mortgage Lending's jurisdiction.

24 (b) The procedures applicable to the Department of Savings  
25 and Mortgage Lending relating to alternative dispute resolution  
26 must conform, to the extent possible, to any model guidelines  
27 issued by the State Office of Administrative Hearings for the use of

1 alternative dispute resolution by state agencies.

2 (c) The Department of Savings and Mortgage Lending shall:

3 (1) coordinate the implementation of the policy  
4 adopted under Subsection (a);

5 (2) provide training as needed to implement the  
6 procedures for negotiated rulemaking or alternative dispute  
7 resolution; and

8 (3) collect data concerning the effectiveness of those  
9 procedures.

10 Sec. 13.018. ADVISORY COMMITTEES. (a) The savings and  
11 mortgage lending commissioner may appoint advisory committees to  
12 assist the Department of Savings and Mortgage Lending and savings  
13 and mortgage lending commissioner in performing their duties.

14 (b) The savings and mortgage lending commissioner shall  
15 specify each committee's purpose, powers, and duties and shall  
16 require each committee to report to the savings and mortgage  
17 lending commissioner or Department of Savings and Mortgage Lending  
18 in the manner specified by the savings and mortgage lending  
19 commissioner concerning the committee's activities and the results  
20 of its work.

21 SECTION 11. Sections 31.202 and 31.204, Finance Code, are  
22 amended to read as follows:

23 Sec. 31.202. APPEAL OF BANKING COMMISSIONER DECISION OR  
24 ORDER. Except as expressly provided otherwise by this subtitle, an  
25 appellant may appeal a decision or order of the banking  
26 commissioner made under this subtitle or Chapter 12 after a hearing  
27 [~~directly~~] to a district court in [~~the District Court of~~] Travis



1 County as provided by Section 31.204 [~~or, at the option of the~~  
2 ~~appellant, to the finance commission for review~~].

3 Sec. 31.204. [~~DIRECT~~] APPEAL TO DISTRICT COURT [~~OR APPEAL~~  
4 ~~OF FINANCE COMMISSION ORDER~~]. A person affected by a final order of  
5 the banking commissioner [~~who elects to appeal directly to district~~  
6 ~~court, or a person affected by a final order of the finance~~  
7 ~~commission under this chapter,~~] may appeal the final order by  
8 filing a petition for judicial review in a district court in [~~the~~  
9 ~~District Court of~~] Travis County as provided by Chapter 2001,  
10 Government Code. A petition for judicial review filed in the  
11 district court does not stay or vacate the appealed order unless the  
12 court, after notice and hearing, expressly stays or vacates the  
13 order.

14 SECTION 12. Section 32.009(d), Finance Code, is amended to  
15 read as follows:

16 (d) A state bank that is denied the requested right or  
17 privilege to engage in an activity by the banking commissioner  
18 under this section may appeal as provided by Sections 31.202[~~7~~  
19 ~~31.203,~~] and 31.204 or may resubmit a letter under this subsection  
20 with additional information or authority relevant to the banking  
21 commissioner's determination. A denial is immediately final for  
22 purposes of appeal.

23 SECTION 13. Section 32.010(d), Finance Code, is amended to  
24 read as follows:

25 (d) A state bank that is denied the requested power by the  
26 banking commissioner under this section may appeal as provided by  
27 Sections 31.202[~~7~~ ~~31.203,~~] and 31.204 or may resubmit a letter

1 under this section with additional information or authority  
2 relevant to the banking commissioner's determination. A denial is  
3 immediately final for purposes of appeal.

4 SECTION 14. Section 35.0035(g), Finance Code, is amended to  
5 read as follows:

6 (g) After the hearing, the banking commissioner may affirm,  
7 modify, or set aside, in whole or in part, the order. An order  
8 affirming or modifying the order is immediately final for purposes  
9 of enforcement and appeal. The order may be appealed as provided by  
10 Sections 31.202[~~31.203~~] and 31.204.

11 SECTION 15. Section 35.004(c), Finance Code, is amended to  
12 read as follows:

13 (c) An order issued under this section is immediately final  
14 for purposes of enforcement and appeal. The order may be appealed  
15 as provided by Sections 31.202[~~31.203~~] and 31.204.

16 SECTION 16. Section 35.005(e), Finance Code, is amended to  
17 read as follows:

18 (e) After the hearing, the banking commissioner may affirm,  
19 modify, or set aside in whole or part the emergency order. An order  
20 affirming or modifying the emergency order is immediately final for  
21 purposes of enforcement and appeal. The order may be appealed as  
22 provided by Sections 31.202[~~31.203~~] and 31.204.

23 SECTION 17. Section 35.104(c), Finance Code, is amended to  
24 read as follows:

25 (c) An order issued under Subsection (b) is immediately  
26 final for purposes of appeal. The order may be appealed as provided  
27 by Sections 31.202[~~31.203~~] and 31.204.

1 SECTION 18. Section 35.110(d), Finance Code, is amended to  
2 read as follows:

3 (d) After the hearing, the banking commissioner may affirm,  
4 modify, or set aside in whole or part the prior ruling. An order  
5 supporting the action contested by the board is immediately final  
6 for purposes of appeal. The order may be appealed as provided by  
7 Sections 31.202 [~~31.203~~] and 31.204. [~~If the order is appealed to~~  
8 ~~the finance commission, the finance commission may:~~

9 [(1) ~~affirm, terminate, or modify the order;~~

10 [(2) ~~continue or end supervision or conservatorship;~~  
11 ~~and~~

12 [(3) ~~order further relief as justice, equity, and~~  
13 ~~protection of depositors, creditors, and the public require.]~~

14 SECTION 19. Sections 154.104(a) and (b), Finance Code, are  
15 amended to read as follows:

16 (a) The commission by rule shall prescribe the term of a [A]  
17 permit [is] issued under this subchapter [~~for a one-year term~~].

18 (b) If the commission prescribes the term of a permit issued  
19 under this subchapter for a period other than one year, the [The]  
20 commission shall prorate the fee required under this subchapter as  
21 necessary to reflect the term of the permit [~~by rule may adopt a~~  
22 ~~system under which permits expire on various dates during the~~  
23 ~~year~~].

24 SECTION 20. Section 154.415(f), Finance Code, is amended to  
25 read as follows:

26 (f) An order issued under Subsection (e) is immediately  
27 final for purposes of enforcement and appeal. The order may be

1 appealed as provided by Sections 31.202 [~~31.203~~] and 31.204.

2 SECTION 21. Section 157.012(c), Finance Code, is amended to  
3 read as follows:

4 (c) To be eligible to be licensed as a residential mortgage  
5 loan originator, the individual, in addition to meeting the  
6 requirements of Subsection (a), must:

7 (1) satisfy the commissioner as to [~~the individual's~~  
8 ~~good moral character, including~~] the individual's honesty,  
9 trustworthiness, and integrity;

10 (2) not be in violation of this chapter, Chapter 180,  
11 or any rules adopted under this chapter or Chapter 180;

12 (3) provide the commissioner with satisfactory  
13 evidence that the individual meets the qualifications provided by  
14 Chapter 180; and

15 (4) be a citizen of the United States or a lawfully  
16 admitted alien.

17 SECTION 22. Sections 181.202 and 181.204, Finance Code, are  
18 amended to read as follows:

19 Sec. 181.202. APPEAL OF BANKING COMMISSIONER DECISION OR  
20 ORDER. Except as expressly provided otherwise by this subtitle, a  
21 person affected by a decision or order of the banking commissioner  
22 made under this subtitle after a hearing may appeal the decision or  
23 order [~~+~~

24 [~~(1) to the finance commission, or~~

25 [~~(2) directly~~] to a district court in Travis County as  
26 provided by Section 181.204.

27 Sec. 181.204. [~~DIRECT~~] APPEAL TO DISTRICT COURT [~~OR APPEAL~~

1 ~~OF FINANCE COMMISSION ORDER~~]. A person affected by a final order of  
2 the banking commissioner [~~who elects to appeal directly to district~~  
3 ~~court, or a person affected by a final order of the finance~~  
4 ~~commission under this subchapter,~~] may appeal the final order by  
5 filing a petition for judicial review as provided by Chapter 2001,  
6 Government Code. A petition for judicial review filed in the  
7 district court does not stay or vacate the appealed order unless the  
8 court, after notice and hearing, expressly stays or vacates the  
9 order.

10 SECTION 23. Section 182.010(d), Finance Code, is amended to  
11 read as follows:

12 (d) A state trust company that is denied the requested right  
13 or privilege to engage in an activity by the banking commissioner  
14 under this section may appeal as provided by Sections 181.202 and  
15 181.204 [~~Sections 181.202-181.204~~] or may resubmit a letter under  
16 this section with additional information or authority relevant to  
17 the banking commissioner's determination. A denial is immediately  
18 final for purposes of appeal.

19 SECTION 24. Section 185.0035(g), Finance Code, is amended  
20 to read as follows:

21 (g) After the hearing, the banking commissioner may affirm,  
22 modify, or set aside, in whole or in part, the order. An order  
23 affirming or modifying the order is immediately final for purposes  
24 of enforcement and appeal. The order may be appealed as provided by  
25 Sections 181.202 [~~181.203~~] and 181.204.

26 SECTION 25. Section 185.004(c), Finance Code, is amended to  
27 read as follows:

1 (c) An order issued under this section is immediately final  
2 for purposes of enforcement and appeal. The order may be appealed  
3 as provided by Sections 181.202 and 181.204 [~~Sections~~  
4 ~~181.202-181.204~~].

5 SECTION 26. Section 185.005(e), Finance Code, is amended to  
6 read as follows:

7 (e) After the hearing, the banking commissioner may affirm,  
8 modify, or set aside in whole or part the emergency order. An order  
9 affirming or modifying the order is immediately final for purposes  
10 of enforcement and appeal. The order may be appealed as provided by  
11 Sections 181.202 and 181.204 [~~Sections 181.202-181.204~~].

12 SECTION 27. Section 185.104(c), Finance Code, is amended to  
13 read as follows:

14 (c) An order issued under Subsection (b) is immediately  
15 final for purposes of appeal. The order may be appealed as provided  
16 by Sections 181.202 and 181.204 [~~Sections 181.202-181.204~~].

17 SECTION 28. Section 185.110(d), Finance Code, is amended to  
18 read as follows:

19 (d) After the hearing, the banking commissioner may affirm,  
20 modify, or set aside in whole or part the prior ruling. An order  
21 supporting the action contested by the board is immediately final  
22 for purposes of appeal. The order may be appealed as provided by  
23 Sections 181.202 and 181.204 [~~Sections 181.202-181.204~~]. [~~If the~~  
24 ~~order is appealed to the finance commission, the finance commission~~  
25 ~~may:~~

- 26 [~~(1) affirm, terminate, or modify the order,~~  
27 [~~(2) continue or end supervision or conservatorship,~~

1 ~~and~~

2 ~~[(3) order further relief as justice, equity, and~~  
3 ~~protection of clients, creditors, and the public require.]~~

4 SECTION 29. Section 187.305(a), Finance Code, is amended to  
5 read as follows:

6 (a) If the banking commissioner determines that an  
7 out-of-state trust company has violated this subtitle or other  
8 applicable law of this state, the banking commissioner may take all  
9 enforcement actions the banking commissioner would be empowered to  
10 take if the out-of-state trust company were a state trust company,  
11 except that the banking commissioner shall promptly give notice to  
12 the home state regulator of each enforcement action to be taken  
13 against an out-of-state trust company and, to the extent  
14 practicable, shall consult and cooperate with the home state  
15 regulator in pursuing and resolving the enforcement action. An  
16 out-of-state trust company may appeal a final order or other  
17 decision of the banking commissioner under this subtitle as  
18 provided by Sections 181.202 and 181.204 [~~Sections~~  
19 ~~181.202-181.204~~].

20 SECTION 30. Section 201.009, Finance Code, is amended to  
21 read as follows:

22 Sec. 201.009. ENFORCEMENT; APPEALS. (a) If the  
23 commissioner determines that a bank holding company or a foreign  
24 bank has violated this subtitle or other applicable law of this  
25 state, the commissioner may take any enforcement action the  
26 commissioner would be empowered to take if the bank holding company  
27 or foreign bank were a Texas state bank, except that the

1 commissioner shall promptly give notice to the home state regulator  
2 of each enforcement action taken against an out-of-state bank  
3 holding company or foreign bank and, to the extent practicable,  
4 shall consult and cooperate with the home state regulator in  
5 pursuing and resolving the enforcement action. A bank holding  
6 company or foreign bank may appeal a final order or other decision  
7 of the commissioner under this subtitle as provided by Sections  
8 31.202 [~~31.203~~] and 31.204.

9 (b) If the commissioner determines that an interstate  
10 branch maintained by an out-of-state state bank in this state is  
11 being operated in violation of a law of this state that is  
12 applicable to the branch under Section 24(j), Federal Deposit  
13 Insurance Act (12 U.S.C. Section 1831a(j)), including a law that  
14 governs community reinvestment, fair lending, or consumer  
15 protection, the commissioner, with written notice to the home state  
16 regulator and subject to the terms of any applicable cooperative  
17 agreement with the home state regulator, may take any enforcement  
18 action the commissioner would be empowered to take if the branch  
19 were a Texas state bank or state savings bank, as the case may be.  
20 An out-of-state state bank may appeal a final order or other  
21 decision of the commissioner under this subtitle as provided by  
22 Sections 31.202 [~~31.203~~] and 31.204, or as provided under  
23 Subtitle C with respect to a state savings bank.

24 SECTION 31. Section 204.119, Finance Code, is amended to  
25 read as follows:

26 Sec. 204.119. STATUS OF REVOKED LICENSE. Unless stayed by  
27 the [~~finance commission or~~] district court that has jurisdiction



1 over an appeal, a final order of the commissioner revoking a license  
2 is effective immediately and the foreign bank shall immediately  
3 cease all activity in this state requiring a license. Subject to  
4 Section 204.120, all functions requiring a license must be  
5 immediately transferred to a branch, affiliate, or agency of the  
6 foreign bank that is located outside of this state and that has the  
7 power to perform those functions under governing law. Continued  
8 activity in this state of an unlicensed foreign bank is subject to  
9 Subchapter C, Chapter 35.

10 SECTION 32. Section 396.001(7), Finance Code, is amended to  
11 read as follows:

12 (7) "Private child support enforcement agency" means  
13 an individual or nongovernmental entity who engages in the  
14 enforcement of child support ordered by a court or other tribunal  
15 for a fee or other consideration. The term includes a foreign  
16 agency. The term does not include:

17 (A) an attorney enforcing a child support  
18 obligation on behalf of, and in the name of, a client unless the  
19 attorney has an employee who is not an attorney and who on behalf of  
20 the attorney:

21 (i) regularly solicits for child support  
22 enforcement; or

23 (ii) regularly contacts child support  
24 obligees or obligors for the purpose of child support enforcement;

25 (B) a state agency designated to serve as the  
26 state's Title IV-D agency in accordance with Part D, Title IV,  
27 Social Security Act (42 U.S.C. Section 651 et seq.), as amended; or

1 (C) a contractor awarded a contract to engage in  
2 child support enforcement on behalf of a governmental agency,  
3 including a contractor awarded a contract[+]

4 [~~(i) under Chapter 236, Family Code, or~~  
5 [~~(ii)]~~ by a political subdivision of this  
6 or another state that is authorized by law to enforce a child  
7 support obligation.

8 SECTION 33. Sections 396.202(a) and (b), Finance Code, are  
9 amended to read as follows:

10 (a) A private child support enforcement [~~registered~~] agency  
11 shall maintain records of all child support collections made on  
12 behalf of, and disbursed to, a client who is an obligee, including:

13 (1) the name of any obligor who made child support  
14 payments collected by the agency;

15 (2) the amount of support collected by the agency for  
16 each client, including:

17 (A) the date on which the amount was collected;  
18 and

19 (B) the date on which each amount due the client  
20 by the obligor was paid to the client;

21 (3) a copy of the order establishing the child support  
22 obligation under which a collection was made by the agency; and

23 (4) any other pertinent information relating to the  
24 child support obligation, including any case, cause, or docket  
25 number of the court having jurisdiction over the matter.

26 (b) The records required under this section must be updated  
27 at least monthly and must be maintained by the private child support

1 enforcement [~~registered~~] agency for a period of four years from the  
2 date of the last support payment collected by the agency on behalf  
3 of an obligee.

4 SECTION 34. Section 396.203(a), Finance Code, is amended to  
5 read as follows:

6 (a) A private child support enforcement [~~registered~~] agency  
7 [~~and foreign agency authorized to engage in business under this~~  
8 ~~chapter~~] shall execute a written contract for the enforcement of  
9 child support for each client of the agency that is residing in this  
10 state.

11 SECTION 35. Sections 396.251(a) and (b), Finance Code, are  
12 amended to read as follows:

13 (a) In enforcing a child support obligation, a private child  
14 support enforcement [~~registered~~] agency may not use threats,  
15 coercion, or attempts to coerce that employ any of the following  
16 practices:

17 (1) using or threatening to use violence or other  
18 criminal means to cause harm to an obligor or property of the  
19 obligor;

20 (2) accusing falsely or threatening to accuse falsely  
21 an obligor of a violation of state or federal child support laws;

22 (3) taking or threatening to take an enforcement  
23 action against an obligor that is not authorized by law; or

24 (4) intentionally representing to a person that the  
25 agency is a governmental agency authorized to enforce a child  
26 support obligation.

27 (b) Subsection (a) does not prevent a private child support

1 enforcement [~~registered~~] agency from:

2 (1) informing an obligor that the obligor may be  
3 subject to penalties prescribed by law for failure to pay a child  
4 support obligation; or

5 (2) taking, or threatening to take, an action  
6 authorized by law for the enforcement of a child support obligation  
7 by the agency.

8 SECTION 36. Section 396.252, Finance Code, is amended to  
9 read as follows:

10 Sec. 396.252. FRAUDULENT, DECEPTIVE, OR MISLEADING  
11 REPRESENTATIONS. In enforcing a child support obligation, a  
12 private child support enforcement [~~registered~~] agency or employee  
13 of the agency may not:

14 (1) identify the [~~registered~~] agency by any name other  
15 than one by which the agency is authorized to do business under the  
16 laws of this state [~~registered with the department~~];

17 (2) falsely represent the nature of the child support  
18 enforcement activities in which the agency is authorized by law to  
19 engage; or

20 (3) falsely represent that an oral or written  
21 communication is the communication of an attorney.

22 SECTION 37. Section 396.352(a), Finance Code, is amended to  
23 read as follows:

24 (a) A private child support enforcement [~~registered~~] agency  
25 that is located in another state or [~~a private child support~~  
26 ~~enforcement agency~~] that engages in the business of child support  
27 enforcement in this state in violation of this chapter is

1 considered to have submitted to the jurisdiction of the courts of  
2 this state with respect to an action brought under this chapter.

3 SECTION 38. Section 711.001(6), Health and Safety Code, is  
4 amended to read as follows:

5 (6) "Cemetery broker" means a person who sells the  
6 exclusive right of sepulture for another person. The term does not  
7 include a person who:

8 (A) is an officer, agent, or employee of the  
9 cemetery organization in which the plot is located, acting at the  
10 direction or under the control of the cemetery organization [~~and~~  
11 ~~who is exempt from registration under Subchapter C-1~~]; or

12 (B) originally purchased the exclusive right of  
13 sepulture for personal use.

14 SECTION 39. Section 711.012(a), Health and Safety Code, is  
15 amended to read as follows:

16 (a) The Finance Commission of Texas may adopt rules to  
17 enforce and administer [~~Subchapter C-1 and~~] Sections 711.003,  
18 711.004, 711.007, 711.008, 711.0105, 711.021-711.024,  
19 711.032-711.036, 711.038, 711.0381, 711.040-711.042, 711.052,  
20 711.061, 711.063, and 711.064 relating to perpetual care  
21 cemeteries.

22 SECTION 40. Section 711.038(e), Health and Safety Code, is  
23 amended to read as follows:

24 (e) A person [~~who is an officer, agent, or employee of the~~  
25 ~~cemetery organization or its affiliate and who is exempt from~~  
26 ~~registration under Subchapter C-1~~] is not required to be licensed  
27 or registered to sell a plot in a dedicated cemetery.

1 SECTION 41. Section 711.052(a), Health and Safety Code, is  
2 amended to read as follows:

3 (a) A person who is an individual, firm, association,  
4 corporation, or municipality, or an officer, agent, or employee of  
5 an individual, firm, association, corporation, or municipality,  
6 commits an offense if the person:

7 (1) engages in a business for cemetery purposes in  
8 this state other than through a corporation organized for that  
9 purpose, if a corporation is required by law;

10 (2) fails or refuses to keep records of interment as  
11 required by Sections 711.003 and 711.004;

12 (3) sells, offers to sell, or advertises for sale a  
13 plot or the exclusive right of sepulture in a plot for purposes of  
14 speculation or investment;

15 (4) represents through advertising or printed  
16 material that a retail department will be established for the  
17 resale of the plots of plot purchasers, that specific improvements  
18 will be made in the cemetery, or that specific merchandise or  
19 services will be furnished to a plot owner, unless adequate funds or  
20 reserves are created by the cemetery organization for the  
21 represented purpose;

22 (5) makes more than one interment in a plot in a  
23 cemetery operated by a cemetery organization other than as provided  
24 by Section 711.0395;

25 (6) removes remains from a plot in a cemetery operated  
26 by a cemetery organization without complying with Section 711.004;

27 (7) offers or receives monetary inducement to solicit

1 business for a cemetery broker; or

2 (8) fails or refuses to keep records of sales or  
3 resales or to collect and remit fees as required by Section  
4 711.0381[~~or~~

5 [~~(9) fails or refuses to register as a cemetery broker~~  
6 ~~as required by Subchapter C-1]~~.

7 SECTION 42. Section 711.056(a), Health and Safety Code, is  
8 amended to read as follows:

9 (a) If after a hearing conducted as provided by Chapter  
10 2001, Government Code, the trier of fact finds that a violation of  
11 this chapter or a rule of the Finance Commission of Texas  
12 establishes a pattern of wilful disregard for the requirements of  
13 this chapter or rules of the finance commission, the trier of fact  
14 may recommend to the commissioner that the maximum administrative  
15 penalty permitted under Section 711.055 be imposed on the person  
16 committing the violation or that the commissioner cancel or not  
17 renew[~~+~~

18 [~~(1) the person's registration under Subchapter C-1,~~  
19 ~~if the person is registered under that subchapter, or~~

20 [~~(2)~~] the person's permit under Chapter 154, Finance  
21 Code, if the person holds such a permit.

22 SECTION 43. Section 711.059(a), Health and Safety Code, is  
23 amended to read as follows:

24 (a) The commissioner may issue an order to seize accounts in  
25 which funds from the sale or resale of the exclusive right of  
26 sepulture in a plot, including earnings, may be held and may issue  
27 an order to seize the records that relate to the sale or resale of

1 the exclusive right of sepulture in a plot if the commissioner  
2 finds, by examination or other credible evidence, that the person:

3 (1) failed to remit a fee in accordance with Section  
4 711.0381;

5 (2) misappropriated, converted, or illegally withheld  
6 or failed or refused to pay on demand money entrusted to the person  
7 that belongs to a cemetery organization under an instrument of  
8 conveyance; or

9 (3) refused to submit to examination by the  
10 department[+]

11 [~~(4) was the subject of an order to cancel, suspend, or~~  
12 ~~refuse a registration under Subchapter C-1; or~~

13 [~~(5) is required to register under Subchapter C-1 and~~  
14 ~~is not registered or has transferred the ownership of the business~~  
15 ~~that required registration to another person who is not~~  
16 ~~registered].~~

17 SECTION 44. Sections 711.082(a) and (b), Health and Safety  
18 Code, are amended to read as follows:

19 (a) The department shall administer Subchapter  
20 [~~Subchapters~~] C [~~and C-1~~] relating to cemetery brokers.

21 (b) The commission may adopt reasonable rules concerning:

22 (1) fees to defray the cost of administering  
23 Subchapter [~~Subchapters~~] C [~~and C-1~~];

24 (2) the retention and inspection of records relating  
25 to the sale or resale of the exclusive right of sepulture in a plot;

26 (3) changes in the management or control of a cemetery  
27 broker's business; and



1 (4) any other matter relating to the enforcement and  
2 administration of Subchapter [~~Subchapters~~] C [~~and C-1~~].

3 SECTION 45. Section 712.0036, Health and Safety Code, is  
4 amended to read as follows:

5 Sec. 712.0036. TERM OF CERTIFICATE OF AUTHORITY. (a) The  
6 Finance Commission of Texas by rule shall prescribe the term of and  
7 renewal procedures for a [~~An initial~~] certificate of authority  
8 [~~expires March 1 of the year after the year the certificate is~~]  
9 issued under this chapter [~~. The certificate must be renewed at that~~  
10 ~~time and by March 1 of each following year~~].

11 (b) If the Finance Commission of Texas prescribes the term  
12 of a certificate of authority issued under this chapter for a period  
13 other than one year, the finance commission shall prorate any  
14 applicable fees as necessary to reflect the term of the  
15 certificate.

16 SECTION 46. Section 712.0037(a), Health and Safety Code, is  
17 amended to read as follows:

18 (a) As a condition of renewal, a certificate holder must  
19 meet the qualifications and satisfy the requirements that apply to  
20 an applicant for a new certificate of authority. Additionally, not  
21 later than the certificate's [~~annual~~] renewal date, a certificate  
22 holder shall:

23 (1) pay a [~~an annual~~] renewal fee in an amount  
24 established by Finance Commission of Texas rule; and

25 (2) submit a renewal report under oath and in the form  
26 and medium required by the commissioner that demonstrates that the  
27 certificate holder meets the qualifications and requirements for

1 holding a certificate.

2 SECTION 47. The following laws are repealed:

- 3 (1) Sections 13.011(d) and (e), Finance Code;
- 4 (2) Sections 31.203 and 181.203, Finance Code;
- 5 (3) Section 396.001(8), Finance Code;
- 6 (4) Subchapters B, C, and D, Chapter 396, Finance  
7 Code;
- 8 (5) Section 396.201, Finance Code;
- 9 (6) Subchapter G, Chapter 396, Finance Code;
- 10 (7) Section 711.0381(a), Health and Safety Code; and
- 11 (8) Subchapter C-1, Chapter 711, Health and Safety  
12 Code.

13 SECTION 48. (a) Except as provided by Subsection (b) of  
14 this section, Section 11.110, Finance Code, as amended by this Act,  
15 applies to a member of the Finance Commission of Texas appointed  
16 before, on, or after the effective date of this Act.

17 (b) A member of the Finance Commission of Texas who, before  
18 the effective date of this Act, completed the training program  
19 required by Section 11.110, Finance Code, as that law existed  
20 before the effective date of this Act, is required to acknowledge  
21 that the member received and reviewed the training manual required  
22 by Section 11.110, Finance Code, as amended by this Act. A member  
23 of the finance commission described by this subsection may not  
24 vote, deliberate, or be counted as a member in attendance at a  
25 meeting of the finance commission held on or after December 1, 2019,  
26 until the member of the finance commission acknowledges that the  
27 member received and reviewed the training manual.

1           SECTION 49. Section 154.104, Finance Code, as amended by  
2 this Act, and Sections 712.0036 and 712.0037, Health and Safety  
3 Code, as amended by this Act, apply only to a permit or certificate  
4 of authority issued or renewed on or after September 1, 2019. A  
5 permit or certificate of authority issued or renewed before that  
6 date is governed by the law in effect immediately before the  
7 effective date of this Act, and the former law is continued in  
8 effect for that purpose.

9           SECTION 50. (a) On the effective date of this Act, a  
10 certificate of registration that was issued under Section 396.106,  
11 Finance Code, a certificate that was issued to operate in this state  
12 under Section 396.152, Finance Code, or a registration that was  
13 issued under Subchapter C-1, Chapter 711, Health and Safety Code,  
14 expires.

15           (b) The repeal of a law by this Act does not entitle a person  
16 to a refund of an application, registration, or other fee paid by  
17 the person before the effective date of this Act.

18           SECTION 51. The changes in law made by this Act do not  
19 affect the validity of a disciplinary action or other proceeding  
20 that was initiated before the effective date of this Act and that is  
21 pending before a court or other governmental entity on that date.

22           SECTION 52. (a) A violation of a law that is repealed by  
23 this Act is governed by the law in effect on the date the violation  
24 was committed, and the former law is continued in effect for that  
25 purpose.

26           (b) For purposes of this section, a violation was committed  
27 before the effective date of this Act if any element of the

1 violation occurred before that date.

2 SECTION 53. This Act takes effect September 1, 2019.