S.B. No. 707

AN ACT

relating to the continuation and functions of the Credit Union Department and the Credit Union Commission.

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

SECTION 1.  Subchapter B, Chapter 15, Finance Code, is amended by adding Section 15.104 to read as follows:

Sec. 15.104.  NOTIFICATION AND GUIDANCE ON ADOPTION OF CERTAIN FEDERAL LAWS OR REGULATIONS. The department shall promptly notify and issue guidance to all credit unions chartered in this state on the adoption of a federal law or regulation that:

(1)  affects a power or authority conferred to credit unions under Section 123.003(a);

(2)  takes effect immediately; and

(3)  conflicts with state law.

SECTION 2.  Section 15.2041, Finance Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b)  The training program must provide the person with information regarding:

(1)  the law governing department operations [~~legislation that created the department~~];

(2)  the programs, functions, rules, and budget of the department;

(3)  the scope of and limitations on the rulemaking authority of the commission;

(4)  the results of the most recent formal audit of the department;

(5) [~~(4)~~]  the requirements of:

(A)  laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and

(B)  other laws applicable to members of a state policy-making body in performing their duties; and

(6) [~~(5)~~]  any applicable ethics policies adopted by the department or the Texas Ethics Commission[~~; and~~

[~~(6) the basic principles and responsibilities of credit union management~~].

(d)  The commissioner shall create a training manual that includes the information required by Subsection (b). The commissioner shall distribute a copy of the training manual annually to each commission member. Each commission member shall sign and submit to the commissioner a statement acknowledging that the commission member received and has reviewed the training manual.

SECTION 3.  Section 15.212, Finance Code, is amended to read as follows:

Sec. 15.212.  SUNSET PROVISION. The Credit Union Department and the Credit Union Commission are subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department and commission are abolished September 1, 2033 [~~2021~~].

SECTION 4.  Sections 15.409(b), (c), and (d), Finance Code, are redesignated as Section 15.408, Finance Code, and amended to read as follows:

Sec. 15.408.  CONSUMER COMPLAINTS. (a) [~~(b)~~] The department shall maintain a system to promptly and efficiently act on complaints filed with the department. The department shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) [~~(c)~~]  The department shall make information available describing its procedures for complaint investigation and resolution.

(c) [~~(d)~~]  The department shall periodically notify the complaint parties [~~person filing the complaint and each person who is the subject of the complaint~~] of the status of the complaint until final disposition unless the notice would jeopardize an investigation.

SECTION 5.  Subchapter E, Chapter 15, Finance Code, is amended by adding Section 15.4081 to read as follows:

Sec. 15.4081.  COMPLAINT TRACKING; ANNUAL STATISTICAL ANALYSIS. (a) To help identify and address regulatory issues and constraints, the department shall track all phases of the complaint and enforcement processes, including the receipt, investigation, and disposition of complaints. The department shall maintain the following information for each complaint:

(1)  the basis for the complaint;

(2)  the origin of the complaint, including whether the complaint was issued from:

(A)  another regulatory agency;

(B)  a credit union member;

(C)  a credit union employee;

(D)  a member of the public; or

(E)  a public or private entity;

(3)  the number of days taken to resolve the complaint from the date the complaint was received; and

(4)  the disposition of the complaint, including:

(A)  if no disciplinary action was taken, the reasons no disciplinary action was taken;

(B)  if disciplinary action was taken, the type of disciplinary action taken, including the amount of any administrative penalty or late fee;

(C)  if dismissed or referred to another agency, the details regarding dismissal or referral; and

(D)  if ongoing, the current status of the complaint.

(b)  The department shall annually compile a statistical analysis of the department's complaint and enforcement processes for the preceding fiscal year. The analysis must include:

(1)  the total number of complaints filed with the department against credit unions;

(2)  the number of open investigations at the end of the fiscal year;

(3)  the number of complaints that were resolved, disaggregated by:

(A)  the source of the complaint;

(B)  the type of alleged violation;

(C)  jurisdictional and non-jurisdictional complaints;

(D)  regulatory and nonregulatory complaints; and

(E)  the disposition and type of action taken, including any administrative penalty or late fee assessed; and

(4)  the average number of days taken to resolve a complaint, including complaints that were resolved through an examination of a credit union.

SECTION 6.  The heading to Section 15.409, Finance Code, is amended to read as follows:

Sec. 15.409.  CONSUMER INFORMATION [~~AND COMPLAINTS~~].

SECTION 7.  Section 122.001(d), Finance Code, is repealed.

SECTION 8.  The repeal of Section 122.001(d), Finance Code, by this Act applies only to articles of incorporation filed on or after the effective date of this Act. Articles of incorporation filed before the effective date of this Act are governed by the law in effect on the date the articles were filed, and the former law is continued in effect for that purpose.

SECTION 9.  (a) Except as provided by Subsection (b) of this section, Section 15.2041, Finance Code, as amended by this Act, applies to a member of the Credit Union Commission appointed before, on, or after the effective date of this Act.

(b)  A member of the Credit Union Commission who, before the effective date of this Act, completed the training program required by Section 15.2041, Finance Code, as that law existed before the effective date of this Act, is only required to complete additional training on the subjects added by this Act to the training program required by Section 15.2041, Finance Code. A commission member described by this subsection may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission held on or after December 1, 2021, until the member completes the additional training.

SECTION 10.  This Act takes effect September 1, 2021.

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I hereby certify that S.B. No. 707 passed the Senate on April 19, 2021, by the following vote:  Yeas 31, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Secretary of the Senate

I hereby certify that S.B. No. 707 passed the House on May 19, 2021, by the following vote:  Yeas 136, Nays 9, one present not voting.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Chief Clerk of the House

Approved:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_             Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_           Governor