

By: Ashby

H.B. No. 1258

A BILL TO BE ENTITLED

AN ACT

relating to data matching with financial institutions to facilitate the collection of certain delinquent tax liabilities.

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

SECTION 1. Subchapter A, Chapter 111, Tax Code, is amended by adding Section 111.025 to read as follows:

Sec. 111.025. DELINQUENT TAXPAYER FINANCIAL RECORDS. (a)

In this section:

(1) "Account" means a demand deposit account, checking or negotiable order of withdrawal account, savings account, time deposit account, or money market mutual fund account.

(2) "Account owner record" means a record a financial institution uses to report account owner information, including:

(A) an account holder's name, social security number, or federal employer identification number; and

(B) the account balance and account type.

(3) "Delinquent taxpayer" means a person who at the time of a data match request under Subsection (b) is delinquent in a tax or fee administered by the comptroller.

(4) "Financial institution" means:

(A) a depository institution, as defined by Section 3(c), Federal Deposit Insurance Act (12 U.S.C. Section 1813(c));

(B) an institution-affiliated party, as defined

1 by Section 3(u), Federal Deposit Insurance Act (12 U.S.C. Section
2 1813(u));

3 (C) a federal credit union or state credit union,
4 as those terms are defined by Section 101, Federal Credit Union Act
5 (12 U.S.C. Section 1752), including an institution-affiliated
6 party of a credit union, as defined by Section 206(r), Federal
7 Credit Union Act (12 U.S.C. Section 1786(r)); or

8 (D) the agent of an entity described by Paragraph
9 (A), (B), or (C).

10 (5) "Inquiry file" means an electronic file sent by
11 the comptroller or the comptroller's agent to a financial
12 institution that contains a record of delinquent taxpayers.

13 (b) A financial institution shall, each calendar quarter,
14 exchange data with the comptroller or the comptroller's agent to
15 facilitate matching the names of delinquent taxpayers with the
16 names of account holders using one of the following methods:

17 (1) an all accounts method in which:

18 (A) the financial institution submits to the
19 comptroller or the comptroller's agent an electronic file listing
20 all of the financial institution's open accounts and account owner
21 records; and

22 (B) the comptroller or the comptroller's agent
23 compares that information with the comptroller's records of
24 delinquent taxpayers; or

25 (2) a matched accounts method in which the financial
26 institution submits to the comptroller or the comptroller's agent
27 an electronic file listing all account owner records that match

1 information in an inquiry file.

2 (c) The comptroller shall make a data match request under
3 Subsection (b) compatible with the data processing system of the
4 financial institution.

5 (d) The comptroller may not request a financial institution
6 to perform a data match under this section more than once each
7 calendar quarter.

8 (e) A financial institution may not notify account holders
9 that the comptroller has requested a data match or whether a data
10 match has been made.

11 (f) Information provided by or to a financial institution,
12 the comptroller, or the comptroller's agent for the purpose of
13 performing a data match is confidential and may not be used for any
14 purpose or disclosed to any person except as necessary to perform a
15 data match. The financial institution, the comptroller, and the
16 comptroller's agent shall return, destroy, or erase any information
17 obtained after completion of the data match.

18 (g) A financial institution is not liable to any person for
19 disclosing information to the comptroller under this section or for
20 any other action that the financial institution takes in good faith
21 to comply with this section.

22 (h) The comptroller may contract with a third party to
23 facilitate the implementation of this section. A third-party
24 contractor may use confidential information solely for the purpose
25 of implementing this section.

26 (i) A suit to enforce this section must be brought by the
27 attorney general in the name of the state. Venue for the suit is in

1 Travis County.

2 (j) The comptroller may adopt rules to implement this
3 section.

4 SECTION 2. This Act takes effect September 1, 2021.