

1-1 By: Nichols, et al. S.B. No. 614  
 1-2 (In the Senate - Filed February 20, 2019; February 21, 2019,  
 1-3 read first time and referred to Committee on Business & Commerce;  
 1-4 March 25, 2019, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 0; March 25, 2019,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 614 By: Nichols

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the continuation and functions of the Finance  
 1-22 Commission of Texas, the Texas Department of Banking, and the  
 1-23 Department of Savings and Mortgage Lending, to the training  
 1-24 requirements applicable to the agencies overseen by the Finance  
 1-25 Commission of Texas, and to the regulation of certain financial  
 1-26 institutions and businesses.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Section 11.108, Finance Code, is amended to read  
 1-29 as follows:

1-30 Sec. 11.108. SUNSET PROVISION. The finance commission is  
 1-31 subject to Chapter 325, Government Code (Texas Sunset Act). Unless  
 1-32 continued in existence as provided by that chapter, the commission  
 1-33 is abolished September 1, 2031 [2019].

1-34 SECTION 2. Section 11.110, Finance Code, is amended by  
 1-35 adding Subsections (d) and (e) to read as follows:

1-36 (d) The commissioner of each finance agency shall create a  
 1-37 training manual that includes the information required by  
 1-38 Subsection (b) applicable to that commissioner's agency. The  
 1-39 commissioner of each finance agency shall distribute a copy of the  
 1-40 training manual created under this subsection annually to each  
 1-41 member of the finance commission. Each member of the finance  
 1-42 commission shall sign and submit to the appropriate commissioner a  
 1-43 statement acknowledging that the member received and has reviewed  
 1-44 the training manual.

1-45 (e) Notwithstanding Subsection (d), the commissioner of  
 1-46 each finance agency may collaborate and jointly create one training  
 1-47 manual that includes the information required by Subsection (b)  
 1-48 applicable to each finance agency.

1-49 SECTION 3. Subchapter B, Chapter 11, Finance Code, is  
 1-50 amended by adding Section 11.113 to read as follows:

1-51 Sec. 11.113. ADVISORY COMMITTEES. (a) The finance  
 1-52 commission may appoint advisory committees to assist the finance  
 1-53 commission in performing its duties.

1-54 (b) The finance commission shall specify each committee's  
 1-55 purpose, powers, and duties and shall require each committee to  
 1-56 report to the finance commission in the manner specified by the  
 1-57 finance commission concerning the committee's activities and the  
 1-58 results of its work.

1-59 SECTION 4. Section 11.202(b), Finance Code, is amended to  
 1-60 read as follows:

2-1 (b) The Texas Department of Banking may employ a hearings  
 2-2 officer to serve the finance agencies as determined by interagency  
 2-3 agreement. For the purposes of Section 2003.021, Government Code,  
 2-4 a hearings officer employed under this section is considered to be  
 2-5 an employee of each agency for which hearing services are provided.  
 2-6 The hearings officer's only duty is to preside over matters related  
 2-7 to contested cases before a finance agency [~~or the finance~~  
 2-8 ~~commission~~].

2-9 SECTION 5. Section 12.108, Finance Code, is amended to read  
 2-10 as follows:

2-11 Sec. 12.108. CONSUMER INFORMATION AND COMPLAINTS. (a) The  
 2-12 department [banking commissioner] shall maintain a system to  
 2-13 promptly and efficiently act on complaints filed with the  
 2-14 department. The department shall maintain information about  
 2-15 parties to the complaint, the subject matter of the complaint, a  
 2-16 summary of the results of the review or investigation of the  
 2-17 complaint, and its disposition[+.

2-18 [~~(1) prepare information of consumer interest~~  
 2-19 ~~describing:~~

2-20 [~~(A) the regulatory functions of the department,~~  
 2-21 ~~and~~

2-22 [~~(B) the department's procedures by which~~  
 2-23 ~~consumer complaints are filed with and resolved by the department,~~  
 2-24 ~~and~~

2-25 [~~(2) make the information available to the public and~~  
 2-26 ~~appropriate state agencies].~~

2-27 (b) The department shall make information available  
 2-28 describing its procedures for complaint investigation and  
 2-29 resolution [maintain a file on each written complaint filed with  
 2-30 the department. The file must include:

2-31 [(1) ~~the name of the person who filed the complaint,~~

2-32 [(2) ~~the date the complaint is received by the~~  
 2-33 ~~department,~~

2-34 [(3) ~~the subject matter of the complaint,~~

2-35 [(4) ~~the name of each person contacted in relation to~~  
 2-36 ~~the complaint,~~

2-37 [(5) ~~a summary of the results of the review or~~  
 2-38 ~~investigation of the complaint, and~~

2-39 [(6) ~~an explanation of the reason the file was~~  
 2-40 ~~closed].~~

2-41 (c) The department shall periodically notify the complaint  
 2-42 parties of the status of the complaint until final disposition  
 2-43 [provide to the person filing the complaint and to each person who  
 2-44 is a subject of the complaint a written summary of the department's  
 2-45 policies and procedures relating to complaint investigation and  
 2-46 resolution].

2-47 SECTION 6. Section 12.109, Finance Code, is amended to read  
 2-48 as follows:

2-49 Sec. 12.109. SUNSET PROVISION. The office of banking  
 2-50 commissioner is subject to Chapter 325, Government Code (Texas  
 2-51 Sunset Act). Unless continued in existence as provided by that  
 2-52 chapter, the office is abolished September 1, 2031 [2019].

2-53 SECTION 7. Subchapter B, Chapter 12, Finance Code, is  
 2-54 amended by adding Sections 12.113 and 12.114 to read as follows:

2-55 Sec. 12.113. ALTERNATIVE RULEMAKING AND DISPUTE  
 2-56 RESOLUTION. (a) The finance commission by rule shall develop a  
 2-57 policy to encourage the use of:

2-58 (1) negotiated rulemaking procedures under Chapter  
 2-59 2008, Government Code, for the adoption of rules by the finance  
 2-60 commission applicable to the department; and

2-61 (2) appropriate alternative dispute resolution  
 2-62 procedures under Chapter 2009, Government Code, to assist in the  
 2-63 resolution of internal and external disputes under the department's  
 2-64 jurisdiction.

2-65 (b) The procedures applicable to the department relating to  
 2-66 alternative dispute resolution must conform, to the extent  
 2-67 possible, to any model guidelines issued by the State Office of  
 2-68 Administrative Hearings for the use of alternative dispute  
 2-69 resolution by state agencies.

3-1 (c) The department shall:

3-2 (1) coordinate the implementation of the policy  
3-3 adopted under Subsection (a);

3-4 (2) provide training as needed to implement the  
3-5 procedures for negotiated rulemaking or alternative dispute  
3-6 resolution; and

3-7 (3) collect data concerning the effectiveness of those  
3-8 procedures.

3-9 Sec. 12.114. ADVISORY COMMITTEES. (a) The banking  
3-10 commissioner may appoint advisory committees to assist the  
3-11 department and banking commissioner in performing their duties.

3-12 (b) The banking commissioner shall specify each committee's  
3-13 purpose, powers, and duties and shall require each committee to  
3-14 report to the banking commissioner or department in the manner  
3-15 specified by the banking commissioner concerning the committee's  
3-16 activities and the results of its work.

3-17 SECTION 8. Sections 13.011(a), (b), and (c), Finance Code,  
3-18 are amended to read as follows:

3-19 (a) The Department of Savings and Mortgage Lending [savings  
3-20 and mortgage lending commissioner] shall maintain a system to  
3-21 promptly and efficiently act on complaints filed with that  
3-22 department. The Department of Savings and Mortgage Lending shall  
3-23 maintain information about parties to the complaint, the subject  
3-24 matter of the complaint, a summary of the results of the review or  
3-25 investigation of the complaint, and its disposition [prepare  
3-26 information of consumer interest describing.

3-27 [~~(1) the regulatory functions of the Department of~~  
3-28 ~~Savings and Mortgage Lending; and~~

3-29 [~~(2) the procedures by which consumer complaints are~~  
3-30 ~~filed with and resolved by the Department of Savings and Mortgage~~  
3-31 ~~Lending].~~

3-32 (b) The Department of Savings and Mortgage Lending shall  
3-33 make information [under Subsection (a) must be made] available  
3-34 describing its procedures for complaint investigation and  
3-35 resolution [to the public and appropriate state agencies].

3-36 (c) The Department of Savings and Mortgage Lending shall  
3-37 periodically notify the complaint parties of the status of the  
3-38 complaint until final disposition [maintain a file on each written  
3-39 complaint filed with the Department of Savings and Mortgage  
3-40 Lending. The file must include:

3-41 [~~(1) the name of the person who filed the complaint;~~

3-42 [~~(2) the date the complaint is received by the~~  
3-43 ~~Department of Savings and Mortgage Lending;~~

3-44 [~~(3) the subject matter of the complaint;~~

3-45 [~~(4) the name of each person contacted in relation to~~  
3-46 ~~the complaint;~~

3-47 [~~(5) a summary of the results of the review or~~  
3-48 ~~investigation of the complaint; and~~

3-49 [~~(6) an explanation of the reason the file was closed,~~  
3-50 ~~if the agency closed the file without taking action other than to~~  
3-51 ~~investigate the complaint].~~

3-52 SECTION 9. Section 13.012, Finance Code, is amended to read  
3-53 as follows:

3-54 Sec. 13.012. SUNSET PROVISION. The office of savings and  
3-55 mortgage lending commissioner and the Department of Savings and  
3-56 Mortgage Lending are subject to Chapter 325, Government Code (Texas  
3-57 Sunset Act). Unless continued in existence as provided by that  
3-58 chapter, the office and department are abolished September 1, 2031  
3-59 [2019].

3-60 SECTION 10. Chapter 13, Finance Code, is amended by adding  
3-61 Sections 13.017 and 13.018 to read as follows:

3-62 Sec. 13.017. ALTERNATIVE RULEMAKING AND DISPUTE  
3-63 RESOLUTION. (a) The finance commission by rule shall develop a  
3-64 policy to encourage the use of:

3-65 (1) negotiated rulemaking procedures under Chapter  
3-66 2008, Government Code, for the adoption of rules by the finance  
3-67 commission applicable to the Department of Savings and Mortgage  
3-68 Lending; and

3-69 (2) appropriate alternative dispute resolution

4-1 procedures under Chapter 2009, Government Code, to assist in the  
4-2 resolution of internal and external disputes under the Department  
4-3 of Savings and Mortgage Lending's jurisdiction.

4-4 (b) The procedures applicable to the Department of Savings  
4-5 and Mortgage Lending relating to alternative dispute resolution  
4-6 must conform, to the extent possible, to any model guidelines  
4-7 issued by the State Office of Administrative Hearings for the use of  
4-8 alternative dispute resolution by state agencies.

4-9 (c) The Department of Savings and Mortgage Lending shall:  
4-10 (1) coordinate the implementation of the policy  
4-11 adopted under Subsection (a);  
4-12 (2) provide training as needed to implement the  
4-13 procedures for negotiated rulemaking or alternative dispute  
4-14 resolution; and  
4-15 (3) collect data concerning the effectiveness of those  
4-16 procedures.

4-17 Sec. 13.018. ADVISORY COMMITTEES. (a) The savings and  
4-18 mortgage lending commissioner may appoint advisory committees to  
4-19 assist the Department of Savings and Mortgage Lending and savings  
4-20 and mortgage lending commissioner in performing their duties.

4-21 (b) The savings and mortgage lending commissioner shall  
4-22 specify each committee's purpose, powers, and duties and shall  
4-23 require each committee to report to the savings and mortgage  
4-24 lending commissioner or Department of Savings and Mortgage Lending  
4-25 in the manner specified by the savings and mortgage lending  
4-26 commissioner concerning the committee's activities and the results  
4-27 of its work.

4-28 SECTION 11. Sections 31.202 and 31.204, Finance Code, are  
4-29 amended to read as follows:

4-30 Sec. 31.202. APPEAL OF BANKING COMMISSIONER DECISION OR  
4-31 ORDER. Except as expressly provided otherwise by this subtitle, an  
4-32 appellant may appeal a decision or order of the banking  
4-33 commissioner made under this subtitle or Chapter 12 after a hearing  
4-34 [directly] to a district court in [the District Court of] Travis  
4-35 County as provided by Section 31.204 [or, at the option of the  
4-36 appellant, to the finance commissioner for review].

4-37 Sec. 31.204. [DIRECT] APPEAL TO DISTRICT COURT [OR APPEAL  
4-38 OF FINANCE COMMISSION ORDER]. A person affected by a final order of  
4-39 the banking commissioner [who elects to appeal directly to district  
4-40 court, or a person affected by a final order of the finance  
4-41 commissioner under this chapter,] may appeal the final order by  
4-42 filing a petition for judicial review in a district court in [the  
4-43 District Court of] Travis County as provided by Chapter 2001,  
4-44 Government Code. A petition for judicial review filed in the  
4-45 district court does not stay or vacate the appealed order unless the  
4-46 court, after notice and hearing, expressly stays or vacates the  
4-47 order.

4-48 SECTION 12. Section 32.009(d), Finance Code, is amended to  
4-49 read as follows:

4-50 (d) A state bank that is denied the requested right or  
4-51 privilege to engage in an activity by the banking commissioner  
4-52 under this section may appeal as provided by Sections 31.202[~~7~~  
4-53 31.203,] and 31.204 or may resubmit a letter under this subsection  
4-54 with additional information or authority relevant to the banking  
4-55 commissioner's determination. A denial is immediately final for  
4-56 purposes of appeal.

4-57 SECTION 13. Section 32.010(d), Finance Code, is amended to  
4-58 read as follows:

4-59 (d) A state bank that is denied the requested power by the  
4-60 banking commissioner under this section may appeal as provided by  
4-61 Sections 31.202[~~7~~ 31.203,] and 31.204 or may resubmit a letter  
4-62 under this section with additional information or authority  
4-63 relevant to the banking commissioner's determination. A denial is  
4-64 immediately final for purposes of appeal.

4-65 SECTION 14. Section 35.0035(g), Finance Code, is amended to  
4-66 read as follows:

4-67 (g) After the hearing, the banking commissioner may affirm,  
4-68 modify, or set aside, in whole or in part, the order. An order  
4-69 affirming or modifying the order is immediately final for purposes

5-1 of enforcement and appeal. The order may be appealed as provided by  
5-2 Sections 31.202[~~, 31.203,~~] and 31.204.

5-3 SECTION 15. Section 35.004(c), Finance Code, is amended to  
5-4 read as follows:

5-5 (c) An order issued under this section is immediately final  
5-6 for purposes of enforcement and appeal. The order may be appealed  
5-7 as provided by Sections 31.202[~~, 31.203,~~] and 31.204.

5-8 SECTION 16. Section 35.005(e), Finance Code, is amended to  
5-9 read as follows:

5-10 (e) After the hearing, the banking commissioner may affirm,  
5-11 modify, or set aside in whole or part the emergency order. An order  
5-12 affirming or modifying the emergency order is immediately final for  
5-13 purposes of enforcement and appeal. The order may be appealed as  
5-14 provided by Sections 31.202[~~, 31.203,~~] and 31.204.

5-15 SECTION 17. Section 35.104(c), Finance Code, is amended to  
5-16 read as follows:

5-17 (c) An order issued under Subsection (b) is immediately  
5-18 final for purposes of appeal. The order may be appealed as provided  
5-19 by Sections 31.202[~~, 31.203,~~] and 31.204.

5-20 SECTION 18. Section 35.110(d), Finance Code, is amended to  
5-21 read as follows:

5-22 (d) After the hearing, the banking commissioner may affirm,  
5-23 modify, or set aside in whole or part the prior ruling. An order  
5-24 supporting the action contested by the board is immediately final  
5-25 for purposes of appeal. The order may be appealed as provided by  
5-26 Sections 31.202[~~, 31.203,~~] and 31.204. [~~If the order is appealed to~~  
5-27 ~~the finance commission, the finance commission may:~~

5-28 [~~(1) affirm, terminate, or modify the order,~~  
5-29 [~~(2) continue or end supervision or conservatorship,~~  
5-30 and

5-31 [~~(3) order further relief as justice, equity, and~~  
5-32 ~~protection of depositors, creditors, and the public require.]~~

5-33 SECTION 19. Sections 154.104(a) and (b), Finance Code, are  
5-34 amended to read as follows:

5-35 (a) The commission by rule shall prescribe the term of a [A]  
5-36 permit [is] issued under this subchapter [for a one-year term].

5-37 (b) If the commission prescribes the term of a permit issued  
5-38 under this subchapter for a period other than one year, the [The]  
5-39 commission shall prorate the fee required under this subchapter as  
5-40 necessary to reflect the term of the permit [by rule may adopt a  
5-41 system under which permits expire on various dates during the  
5-42 year].

5-43 SECTION 20. Section 154.415(f), Finance Code, is amended to  
5-44 read as follows:

5-45 (f) An order issued under Subsection (e) is immediately  
5-46 final for purposes of enforcement and appeal. The order may be  
5-47 appealed as provided by Sections 31.202[~~, 31.203,~~] and 31.204.

5-48 SECTION 21. Section 157.012(c), Finance Code, is amended to  
5-49 read as follows:

5-50 (c) To be eligible to be licensed as a residential mortgage  
5-51 loan originator, the individual, in addition to meeting the  
5-52 requirements of Subsection (a), must:

5-53 (1) satisfy the commissioner as to [~~the individual's~~  
5-54 ~~good moral character, including]~~ the individual's honesty,  
5-55 trustworthiness, and integrity;

5-56 (2) not be in violation of this chapter, Chapter 180,  
5-57 or any rules adopted under this chapter or Chapter 180;

5-58 (3) provide the commissioner with satisfactory  
5-59 evidence that the individual meets the qualifications provided by  
5-60 Chapter 180; and

5-61 (4) be a citizen of the United States or a lawfully  
5-62 admitted alien.

5-63 SECTION 22. Sections 181.202 and 181.204, Finance Code, are  
5-64 amended to read as follows:

5-65 Sec. 181.202. APPEAL OF BANKING COMMISSIONER DECISION OR  
5-66 ORDER. Except as expressly provided otherwise by this subtitle, a  
5-67 person affected by a decision or order of the banking commissioner  
5-68 made under this subtitle after a hearing may appeal the decision or  
5-69 order [+]

6-1 ~~[(1) to the finance commission, or~~  
 6-2 ~~[(2) directly]~~ to a district court in Travis County as  
 6-3 provided by Section 181.204.

6-4 Sec. 181.204. [DIRECT] APPEAL TO DISTRICT COURT [OR APPEAL  
 6-5 OF FINANCE COMMISSION ORDER]. A person affected by a final order of  
 6-6 the banking commissioner ~~[who elects to appeal directly to district~~  
 6-7 ~~court, or a person affected by a final order of the finance~~  
 6-8 ~~commission under this subchapter,~~ may appeal the final order by  
 6-9 filing a petition for judicial review as provided by Chapter 2001,  
 6-10 Government Code. A petition for judicial review filed in the  
 6-11 district court does not stay or vacate the appealed order unless the  
 6-12 court, after notice and hearing, expressly stays or vacates the  
 6-13 order.

6-14 SECTION 23. Section 182.010(d), Finance Code, is amended to  
 6-15 read as follows:

6-16 (d) A state trust company that is denied the requested right  
 6-17 or privilege to engage in an activity by the banking commissioner  
 6-18 under this section may appeal as provided by Sections 181.202 and  
 6-19 181.204 ~~[Sections 181.202-181.204]~~ or may resubmit a letter under  
 6-20 this section with additional information or authority relevant to  
 6-21 the banking commissioner's determination. A denial is immediately  
 6-22 final for purposes of appeal.

6-23 SECTION 24. Section 185.0035(g), Finance Code, is amended  
 6-24 to read as follows:

6-25 (g) After the hearing, the banking commissioner may affirm,  
 6-26 modify, or set aside, in whole or in part, the order. An order  
 6-27 affirming or modifying the order is immediately final for purposes  
 6-28 of enforcement and appeal. The order may be appealed as provided by  
 6-29 Sections 181.202 ~~[, 181.203,]~~ and 181.204.

6-30 SECTION 25. Section 185.004(c), Finance Code, is amended to  
 6-31 read as follows:

6-32 (c) An order issued under this section is immediately final  
 6-33 for purposes of enforcement and appeal. The order may be appealed  
 6-34 as provided by Sections 181.202 and 181.204 ~~[Sections~~  
 6-35 ~~181.202-181.204]~~.

6-36 SECTION 26. Section 185.005(e), Finance Code, is amended to  
 6-37 read as follows:

6-38 (e) After the hearing, the banking commissioner may affirm,  
 6-39 modify, or set aside in whole or part the emergency order. An order  
 6-40 affirming or modifying the order is immediately final for purposes  
 6-41 of enforcement and appeal. The order may be appealed as provided by  
 6-42 Sections 181.202 and 181.204 ~~[Sections 181.202-181.204]~~.

6-43 SECTION 27. Section 185.104(c), Finance Code, is amended to  
 6-44 read as follows:

6-45 (c) An order issued under Subsection (b) is immediately  
 6-46 final for purposes of appeal. The order may be appealed as provided  
 6-47 by Sections 181.202 and 181.204 ~~[Sections 181.202-181.204]~~.

6-48 SECTION 28. Section 185.110(d), Finance Code, is amended to  
 6-49 read as follows:

6-50 (d) After the hearing, the banking commissioner may affirm,  
 6-51 modify, or set aside in whole or part the prior ruling. An order  
 6-52 supporting the action contested by the board is immediately final  
 6-53 for purposes of appeal. The order may be appealed as provided by  
 6-54 Sections 181.202 and 181.204 ~~[Sections 181.202-181.204]~~. ~~[If the~~  
 6-55 ~~order is appealed to the finance commission, the finance commission~~  
 6-56 ~~may:~~

6-57 ~~[(1) affirm, terminate, or modify the order,~~  
 6-58 ~~[(2) continue or end supervision or conservatorship,~~

6-59 ~~and~~  
 6-60 ~~[(3) order further relief as justice, equity, and~~  
 6-61 ~~protection of clients, creditors, and the public require.]~~

6-62 SECTION 29. Section 187.305(a), Finance Code, is amended to  
 6-63 read as follows:

6-64 (a) If the banking commissioner determines that an  
 6-65 out-of-state trust company has violated this subtitle or other  
 6-66 applicable law of this state, the banking commissioner may take all  
 6-67 enforcement actions the banking commissioner would be empowered to  
 6-68 take if the out-of-state trust company were a state trust company,  
 6-69 except that the banking commissioner shall promptly give notice to

7-1 the home state regulator of each enforcement action to be taken  
 7-2 against an out-of-state trust company and, to the extent  
 7-3 practicable, shall consult and cooperate with the home state  
 7-4 regulator in pursuing and resolving the enforcement action. An  
 7-5 out-of-state trust company may appeal a final order or other  
 7-6 decision of the banking commissioner under this subtitle as  
 7-7 provided by Sections 181.202 and 181.204 [~~Sections~~  
 7-8 ~~181.202-181.204~~].

7-9 SECTION 30. Section 201.009, Finance Code, is amended to  
 7-10 read as follows:

7-11 Sec. 201.009. ENFORCEMENT; APPEALS. (a) If the  
 7-12 commissioner determines that a bank holding company or a foreign  
 7-13 bank has violated this subtitle or other applicable law of this  
 7-14 state, the commissioner may take any enforcement action the  
 7-15 commissioner would be empowered to take if the bank holding company  
 7-16 or foreign bank were a Texas state bank, except that the  
 7-17 commissioner shall promptly give notice to the home state regulator  
 7-18 of each enforcement action taken against an out-of-state bank  
 7-19 holding company or foreign bank and, to the extent practicable,  
 7-20 shall consult and cooperate with the home state regulator in  
 7-21 pursuing and resolving the enforcement action. A bank holding  
 7-22 company or foreign bank may appeal a final order or other decision  
 7-23 of the commissioner under this subtitle as provided by Sections  
 7-24 31.202 [~~31.203~~] and 31.204.

7-25 (b) If the commissioner determines that an interstate  
 7-26 branch maintained by an out-of-state state bank in this state is  
 7-27 being operated in violation of a law of this state that is  
 7-28 applicable to the branch under Section 24(j), Federal Deposit  
 7-29 Insurance Act (12 U.S.C. Section 1831a(j)), including a law that  
 7-30 governs community reinvestment, fair lending, or consumer  
 7-31 protection, the commissioner, with written notice to the home state  
 7-32 regulator and subject to the terms of any applicable cooperative  
 7-33 agreement with the home state regulator, may take any enforcement  
 7-34 action the commissioner would be empowered to take if the branch  
 7-35 were a Texas state bank or state savings bank, as the case may be.  
 7-36 An out-of-state state bank may appeal a final order or other  
 7-37 decision of the commissioner under this subtitle as provided by  
 7-38 Sections 31.202 [~~31.203~~] and 31.204, or as provided under  
 7-39 Subtitle C with respect to a state savings bank.

7-40 SECTION 31. Section 204.119, Finance Code, is amended to  
 7-41 read as follows:

7-42 Sec. 204.119. STATUS OF REVOKED LICENSE. Unless stayed by  
 7-43 the [~~finance commission or~~] district court that has jurisdiction  
 7-44 over an appeal, a final order of the commissioner revoking a license  
 7-45 is effective immediately and the foreign bank shall immediately  
 7-46 cease all activity in this state requiring a license. Subject to  
 7-47 Section 204.120, all functions requiring a license must be  
 7-48 immediately transferred to a branch, affiliate, or agency of the  
 7-49 foreign bank that is located outside of this state and that has the  
 7-50 power to perform those functions under governing law. Continued  
 7-51 activity in this state of an unlicensed foreign bank is subject to  
 7-52 Subchapter C, Chapter 35.

7-53 SECTION 32. Section 396.001(7), Finance Code, is amended to  
 7-54 read as follows:

7-55 (7) "Private child support enforcement agency" means  
 7-56 an individual or nongovernmental entity who engages in the  
 7-57 enforcement of child support ordered by a court or other tribunal  
 7-58 for a fee or other consideration. The term includes a foreign  
 7-59 agency. The term does not include:

7-60 (A) an attorney enforcing a child support  
 7-61 obligation on behalf of, and in the name of, a client unless the  
 7-62 attorney has an employee who is not an attorney and who on behalf of  
 7-63 the attorney:

7-64 (i) regularly solicits for child support  
 7-65 enforcement; or

7-66 (ii) regularly contacts child support  
 7-67 obligees or obligors for the purpose of child support enforcement;

7-68 (B) a state agency designated to serve as the  
 7-69 state's Title IV-D agency in accordance with Part D, Title IV,

8-1 Social Security Act (42 U.S.C. Section 651 et seq.), as amended; or  
8-2 (C) a contractor awarded a contract to engage in  
8-3 child support enforcement on behalf of a governmental agency,  
8-4 including a contractor awarded a contract[+  
8-5 [~~(i)~~ under Chapter 236, Family Code, or  
8-6 [~~(ii)~~] by a political subdivision of this  
8-7 or another state that is authorized by law to enforce a child  
8-8 support obligation.

8-9 SECTION 33. Sections 396.202(a) and (b), Finance Code, are  
8-10 amended to read as follows:

8-11 (a) A private child support enforcement [~~registered~~] agency  
8-12 shall maintain records of all child support collections made on  
8-13 behalf of, and disbursed to, a client who is an obligee, including:

8-14 (1) the name of any obligor who made child support  
8-15 payments collected by the agency;

8-16 (2) the amount of support collected by the agency for  
8-17 each client, including:

8-18 (A) the date on which the amount was collected;  
8-19 and

8-20 (B) the date on which each amount due the client  
8-21 by the obligor was paid to the client;

8-22 (3) a copy of the order establishing the child support  
8-23 obligation under which a collection was made by the agency; and

8-24 (4) any other pertinent information relating to the  
8-25 child support obligation, including any case, cause, or docket  
8-26 number of the court having jurisdiction over the matter.

8-27 (b) The records required under this section must be updated  
8-28 at least monthly and must be maintained by the private child support  
8-29 enforcement [~~registered~~] agency for a period of four years from the  
8-30 date of the last support payment collected by the agency on behalf  
8-31 of an obligee.

8-32 SECTION 34. Section 396.203(a), Finance Code, is amended to  
8-33 read as follows:

8-34 (a) A private child support enforcement [~~registered~~] agency  
8-35 [~~and foreign agency authorized to engage in business under this~~  
8-36 ~~chapter~~] shall execute a written contract for the enforcement of  
8-37 child support for each client of the agency that is residing in this  
8-38 state.

8-39 SECTION 35. Sections 396.251(a) and (b), Finance Code, are  
8-40 amended to read as follows:

8-41 (a) In enforcing a child support obligation, a private child  
8-42 support enforcement [~~registered~~] agency may not use threats,  
8-43 coercion, or attempts to coerce that employ any of the following  
8-44 practices:

8-45 (1) using or threatening to use violence or other  
8-46 criminal means to cause harm to an obligor or property of the  
8-47 obligor;

8-48 (2) accusing falsely or threatening to accuse falsely  
8-49 an obligor of a violation of state or federal child support laws;

8-50 (3) taking or threatening to take an enforcement  
8-51 action against an obligor that is not authorized by law; or

8-52 (4) intentionally representing to a person that the  
8-53 agency is a governmental agency authorized to enforce a child  
8-54 support obligation.

8-55 (b) Subsection (a) does not prevent a private child support  
8-56 enforcement [~~registered~~] agency from:

8-57 (1) informing an obligor that the obligor may be  
8-58 subject to penalties prescribed by law for failure to pay a child  
8-59 support obligation; or

8-60 (2) taking, or threatening to take, an action  
8-61 authorized by law for the enforcement of a child support obligation  
8-62 by the agency.

8-63 SECTION 36. Section 396.252, Finance Code, is amended to  
8-64 read as follows:

8-65 Sec. 396.252. FRAUDULENT, DECEPTIVE, OR MISLEADING  
8-66 REPRESENTATIONS. In enforcing a child support obligation, a  
8-67 private child support enforcement [~~registered~~] agency or employee  
8-68 of the agency may not:

8-69 (1) identify the [~~registered~~] agency by any name other

9-1 than one by which the agency is authorized to do business under the  
 9-2 laws of this state [~~registered with the department~~];

9-3 (2) falsely represent the nature of the child support  
 9-4 enforcement activities in which the agency is authorized by law to  
 9-5 engage; or

9-6 (3) falsely represent that an oral or written  
 9-7 communication is the communication of an attorney.

9-8 SECTION 37. Section 396.352(a), Finance Code, is amended to  
 9-9 read as follows:

9-10 (a) A private child support enforcement [~~registered~~] agency  
 9-11 that is located in another state or [~~a private child support~~  
 9-12 ~~enforcement agency~~] that engages in the business of child support  
 9-13 enforcement in this state in violation of this chapter is  
 9-14 considered to have submitted to the jurisdiction of the courts of  
 9-15 this state with respect to an action brought under this chapter.

9-16 SECTION 38. Section 711.001(6), Health and Safety Code, is  
 9-17 amended to read as follows:

9-18 (6) "Cemetery broker" means a person who sells the  
 9-19 exclusive right of sepulture for another person. The term does not  
 9-20 include a person who:

9-21 (A) is an officer, agent, or employee of the  
 9-22 cemetery organization in which the plot is located, acting at the  
 9-23 direction or under the control of the cemetery organization [~~and~~  
 9-24 ~~who is exempt from registration under Subchapter C-1~~]; or

9-25 (B) originally purchased the exclusive right of  
 9-26 sepulture for personal use.

9-27 SECTION 39. Section 711.012(a), Health and Safety Code, is  
 9-28 amended to read as follows:

9-29 (a) The Finance Commission of Texas may adopt rules to  
 9-30 enforce and administer [~~Subchapter C-1 and~~] Sections 711.003,  
 9-31 711.004, 711.007, 711.008, 711.0105, 711.021-711.024,  
 9-32 711.032-711.036, 711.038, 711.0381, 711.040-711.042, 711.052,  
 9-33 711.061, 711.063, and 711.064 relating to perpetual care  
 9-34 cemeteries.

9-35 SECTION 40. Section 711.038(e), Health and Safety Code, is  
 9-36 amended to read as follows:

9-37 (e) A person [~~who is an officer, agent, or employee of the~~  
 9-38 ~~cemetery organization or its affiliate and who is exempt from~~  
 9-39 ~~registration under Subchapter C-1~~] is not required to be licensed  
 9-40 or registered to sell a plot in a dedicated cemetery.

9-41 SECTION 41. Section 711.052(a), Health and Safety Code, is  
 9-42 amended to read as follows:

9-43 (a) A person who is an individual, firm, association,  
 9-44 corporation, or municipality, or an officer, agent, or employee of  
 9-45 an individual, firm, association, corporation, or municipality,  
 9-46 commits an offense if the person:

9-47 (1) engages in a business for cemetery purposes in  
 9-48 this state other than through a corporation organized for that  
 9-49 purpose, if a corporation is required by law;

9-50 (2) fails or refuses to keep records of interment as  
 9-51 required by Sections 711.003 and 711.004;

9-52 (3) sells, offers to sell, or advertises for sale a  
 9-53 plot or the exclusive right of sepulture in a plot for purposes of  
 9-54 speculation or investment;

9-55 (4) represents through advertising or printed  
 9-56 material that a retail department will be established for the  
 9-57 resale of the plots of plot purchasers, that specific improvements  
 9-58 will be made in the cemetery, or that specific merchandise or  
 9-59 services will be furnished to a plot owner, unless adequate funds or  
 9-60 reserves are created by the cemetery organization for the  
 9-61 represented purpose;

9-62 (5) makes more than one interment in a plot in a  
 9-63 cemetery operated by a cemetery organization other than as provided  
 9-64 by Section 711.0395;

9-65 (6) removes remains from a plot in a cemetery operated  
 9-66 by a cemetery organization without complying with Section 711.004;

9-67 (7) offers or receives monetary inducement to solicit  
 9-68 business for a cemetery broker; or

9-69 (8) fails or refuses to keep records of sales or

10-1 resales or to collect and remit fees as required by Section  
 10-2 711.0381[~~701~~  
 10-3 [~~(9) fails or refuses to register as a cemetery broker~~  
 10-4 ~~as required by Subchapter C-1]~~.

10-5 SECTION 42. Section 711.056(a), Health and Safety Code, is  
 10-6 amended to read as follows:

10-7 (a) If after a hearing conducted as provided by Chapter  
 10-8 2001, Government Code, the trier of fact finds that a violation of  
 10-9 this chapter or a rule of the Finance Commission of Texas  
 10-10 establishes a pattern of wilful disregard for the requirements of  
 10-11 this chapter or rules of the finance commission, the trier of fact  
 10-12 may recommend to the commissioner that the maximum administrative  
 10-13 penalty permitted under Section 711.055 be imposed on the person  
 10-14 committing the violation or that the commissioner cancel or not  
 10-15 renew[+]

10-16 [~~(1) the person's registration under Subchapter C-1,~~  
 10-17 ~~if the person is registered under that subchapter, or~~

10-18 [~~(2)~~] the person's permit under Chapter 154, Finance  
 10-19 Code, if the person holds such a permit.

10-20 SECTION 43. Section 711.059(a), Health and Safety Code, is  
 10-21 amended to read as follows:

10-22 (a) The commissioner may issue an order to seize accounts in  
 10-23 which funds from the sale or resale of the exclusive right of  
 10-24 sepulture in a plot, including earnings, may be held and may issue  
 10-25 an order to seize the records that relate to the sale or resale of  
 10-26 the exclusive right of sepulture in a plot if the commissioner  
 10-27 finds, by examination or other credible evidence, that the person:

10-28 (1) failed to remit a fee in accordance with Section  
 10-29 711.0381;

10-30 (2) misappropriated, converted, or illegally withheld  
 10-31 or failed or refused to pay on demand money entrusted to the person  
 10-32 that belongs to a cemetery organization under an instrument of  
 10-33 conveyance; or

10-34 (3) refused to submit to examination by the  
 10-35 department[+]

10-36 [~~(4) was the subject of an order to cancel, suspend, or~~  
 10-37 ~~refuse a registration under Subchapter C-1, or~~

10-38 [~~(5) is required to register under Subchapter C-1 and~~  
 10-39 ~~is not registered or has transferred the ownership of the business~~  
 10-40 ~~that required registration to another person who is not~~  
 10-41 ~~registered].~~

10-42 SECTION 44. Sections 711.082(a) and (b), Health and Safety  
 10-43 Code, are amended to read as follows:

10-44 (a) The department shall administer Subchapter  
 10-45 [Subchapters] C [and C-1] relating to cemetery brokers.

10-46 (b) The commission may adopt reasonable rules concerning:

10-47 (1) fees to defray the cost of administering  
 10-48 Subchapter [Subchapters] C [and C-1];

10-49 (2) the retention and inspection of records relating  
 10-50 to the sale or resale of the exclusive right of sepulture in a plot;

10-51 (3) changes in the management or control of a cemetery  
 10-52 broker's business; and

10-53 (4) any other matter relating to the enforcement and  
 10-54 administration of Subchapter [Subchapters] C [and C-1].

10-55 SECTION 45. Section 712.0036, Health and Safety Code, is  
 10-56 amended to read as follows:

10-57 Sec. 712.0036. TERM OF CERTIFICATE OF AUTHORITY. (a) The  
 10-58 Finance Commission of Texas by rule shall prescribe the term of and  
 10-59 renewal procedures for a [An initial] certificate of authority  
 10-60 [expires March 1 of the year after the year the certificate is]  
 10-61 issued under this chapter [The certificate must be renewed at that  
 10-62 time and by March 1 of each following year].

10-63 (b) If the Finance Commission of Texas prescribes the term  
 10-64 of a certificate of authority issued under this chapter for a period  
 10-65 other than one year, the finance commission shall prorate any  
 10-66 applicable fees as necessary to reflect the term of the  
 10-67 certificate.

10-68 SECTION 46. Section 712.0037(a), Health and Safety Code, is  
 10-69 amended to read as follows:

11-1 (a) As a condition of renewal, a certificate holder must  
11-2 meet the qualifications and satisfy the requirements that apply to  
11-3 an applicant for a new certificate of authority. Additionally, not  
11-4 later than the certificate's [~~annual~~] renewal date, a certificate  
11-5 holder shall:

11-6 (1) pay a [~~an annual~~] renewal fee in an amount  
11-7 established by Finance Commission of Texas rule; and

11-8 (2) submit a renewal report under oath and in the form  
11-9 and medium required by the commissioner that demonstrates that the  
11-10 certificate holder meets the qualifications and requirements for  
11-11 holding a certificate.

11-12 SECTION 47. The following laws are repealed:

11-13 (1) Sections 13.011(d) and (e), Finance Code;

11-14 (2) Sections 31.203 and 181.203, Finance Code;

11-15 (3) Section 396.001(8), Finance Code;

11-16 (4) Subchapters B, C, and D, Chapter 396, Finance  
11-17 Code;

11-18 (5) Section 396.201, Finance Code;

11-19 (6) Subchapter G, Chapter 396, Finance Code;

11-20 (7) Section 711.0381(a), Health and Safety Code; and

11-21 (8) Subchapter C-1, Chapter 711, Health and Safety  
11-22 Code.

11-23 SECTION 48. (a) Except as provided by Subsection (b) of  
11-24 this section, Section 11.110, Finance Code, as amended by this Act,  
11-25 applies to a member of the Finance Commission of Texas appointed  
11-26 before, on, or after the effective date of this Act.

11-27 (b) A member of the Finance Commission of Texas who, before  
11-28 the effective date of this Act, completed the training program  
11-29 required by Section 11.110, Finance Code, as that law existed  
11-30 before the effective date of this Act, is required to acknowledge  
11-31 that the member received and reviewed the training manual required  
11-32 by Section 11.110, Finance Code, as amended by this Act. A member  
11-33 of the finance commission described by this subsection may not  
11-34 vote, deliberate, or be counted as a member in attendance at a  
11-35 meeting of the finance commission held on or after December 1, 2019,  
11-36 until the member of the finance commission acknowledges that the  
11-37 member received and reviewed the training manual.

11-38 SECTION 49. Section 154.104, Finance Code, as amended by  
11-39 this Act, and Sections 712.0036 and 712.0037, Health and Safety  
11-40 Code, as amended by this Act, apply only to a permit or certificate  
11-41 of authority issued or renewed on or after September 1, 2019. A  
11-42 permit or certificate of authority issued or renewed before that  
11-43 date is governed by the law in effect immediately before the  
11-44 effective date of this Act, and the former law is continued in  
11-45 effect for that purpose.

11-46 SECTION 50. (a) On the effective date of this Act, a  
11-47 certificate of registration that was issued under Section 396.106,  
11-48 Finance Code, a certificate that was issued to operate in this state  
11-49 under Section 396.152, Finance Code, or a registration that was  
11-50 issued under Subchapter C-1, Chapter 711, Health and Safety Code,  
11-51 expires.

11-52 (b) The repeal of a law by this Act does not entitle a person  
11-53 to a refund of an application, registration, or other fee paid by  
11-54 the person before the effective date of this Act.

11-55 SECTION 51. The changes in law made by this Act do not  
11-56 affect the validity of a disciplinary action or other proceeding  
11-57 that was initiated before the effective date of this Act and that is  
11-58 pending before a court or other governmental entity on that date.

11-59 SECTION 52. (a) A violation of a law that is repealed by  
11-60 this Act is governed by the law in effect on the date the violation  
11-61 was committed, and the former law is continued in effect for that  
11-62 purpose.

11-63 (b) For purposes of this section, a violation was committed  
11-64 before the effective date of this Act if any element of the  
11-65 violation occurred before that date.

11-66 SECTION 53. This Act takes effect September 1, 2019.