

BILL ANALYSIS

Senate Research Center

H.B. 2040
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Jurisprudence
5/19/2003
Engrossed

DIGEST AND PURPOSE

Currently, legal barriers prevent or protect information sharing related to corporate fraud investigations. H.B. 2040 allows the Board of Accountancy, the Office of the Attorney General, the State Securities Board, the Texas Department of Insurance, and the Public Utility Commission to share information on corporate fraud investigations, while maintaining current law with respect to the confidentiality of corporate documents.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 555, Government Code, by adding Subchapter C, as follows:

SUBCHAPTER C. SHARING CONFIDENTIAL INFORMATION

Sec. 555.051. INFORMATION SHARING AMONG CERTAIN AGENCIES. (a) Provides that this section applies only to information held by or for the office of the attorney general, the Texas Department of Insurance, the Texas State Board of Public Accountancy, the Public Utility Commission of Texas, or the State Securities Board that relates to the possible commission of corporate fraud by a person who is licensed or otherwise regulated by any of those state agencies. Defines "corporate fraud" as used in this section.

(b) Authorizes each agency listed in Subsection (a), on request or on its own initiative, to share confidential information or information to which access is otherwise restricted by law with one or more of the other listed agencies in Subsection (a) for investigative purposes pursuant to Subsection (a). Provides that, except as provided by this section, confidential information that is shared under this section remains confidential under law and legal restrictions on access to the information remain in effect.

(c) Requires a state agency that receives shared information under this section to perform certain tasks.

(d) Provides that this section does not limit or restrict information sharing among agencies as otherwise provided by law.

SECTION 2. Amends the heading to Chapter 555, Government Code, to read as follows:

CHAPTER 555. STATE AGENCY RECORDS RELATING TO LICENSE HOLDERS OR OTHER REGULATED PERSONS

SECTION 3. Effective date: upon passage or September 1, 2003.