

BILL ANALYSIS

S.B. 37
By: Zaffirini
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised that state laws barring professional license holders who are in default on student loans from renewing their licenses may be counterproductive because doing so can inhibit a person's ability to repay student loan debt. S.B. 37 seeks to address this issue by preventing state agencies from adopting or continuing to follow such policies.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 37 amends the Occupations Code to revise statutory provisions authorizing action to be taken by certain state occupational licensing authorities against recipients of student financial assistance in the event of default or breach by prohibiting an occupational licensing authority of the state or a political subdivision from taking disciplinary action against a person based on the person's default on a student loan or breach of a student loan repayment contract or scholarship contract. The bill establishes the applicability of this prohibition by:

- expanding the applicable definition of "licensing authority" to include an agency of a political subdivision;
- expanding the applicable definitions of "scholarship contract" and "student loan repayment contract" to include an agreement with a political subdivision;
- expanding the applicable definition of "student loan" to include a loan made by a public or private entity; and
- repealing a provision restricting applicability of the former authorization to take disciplinary action in the event of a default or breach to the Texas Board of Chiropractic Examiners, the State Board of Dental Examiners, the Texas State Board of Podiatric Medical Examiners, and the Texas State Board of Medical Examiners.

The bill also terminates on the bill's effective date a disciplinary action proceeding under the former authorization that was initiated before that date and that is pending on that date.

S.B. 37 repeals Education Code provisions requiring the Texas Guaranteed Student Loan Corporation to notify a state licensing agency of licensees who are in default on loans guaranteed by the corporation and prohibiting the renewal of the licenses of such licensees unless specified conditions are met.

S.B. 37 amends the Finance Code to remove from the grounds on which the savings and mortgage lending commissioner may deny a renewal application for a residential mortgage loan originator license that the person seeking the renewal of the license is in default on a student loan. The bill prohibits a determination by a regulatory official that an individual has not shown financial responsibility for purposes of the original issuance of such a license from being based on the individual's default on a student loan.

S.B. 37 amends the Government Code to remove the requirement that the director of the lottery division of the Texas Lottery Commission deny an application for a lottery sales agent license or that the lottery commission suspend or revoke such a license for an applicant or sales agent, as applicable, who has been finally determined to be in default on a loan made under the student loan program administered by the Texas Higher Education Coordinating Board or on a loan guaranteed by the corporation. The bill repeals provisions authorizing the Texas Supreme Court to adopt rules relating to the nonrenewal of the license of a lawyer who is in default on a loan guaranteed by the corporation and authorizing the supreme court to authorize and the Judicial Branch Certification Commission to adopt rules relating to the nonrenewal of the certification of a court reporter who is in default on such a loan.

S.B. 37 repeals the following provisions:

- Section 57.491, Education Code
- Section 82.022(c), Government Code
- Section 154.110(e), Government Code
- Sections 56.001(1), 56.002, 56.004, 56.005, and 56.006, Occupations Code

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.