

**MINUTES OF THE
FINANCE COMMISSION MEETING
Wednesday, May 2, 2018**

The Finance Commission of Texas convened at 1:00 p.m. on May 2, 2018 with the following members present:

Finance Commission Members in Attendance:

Stacy G. London, Chairman
Jay Shands, Vice Chairman
Hector Cerna
Molly Curl
Phillip Holt
Will Lucas
Lori McCool
Paul Plunket
Vince Puente

Finance Commission Chairman Stacy G. London announced a quorum with nine members present.

Stacy G. London made a motion to excuse Bob Borochoff and Matt Moore from the Finance Commission meeting held on May 2, 2018. There were no objections and the motion passed unanimously. (00:32)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. FINANCE COMMISSION MATTERS		
1. General Public Comment		00:43 start of discussion
2. Discussion of and Possible Vote to Take Action on the Study Committee's Recommendations to the Finance Commission Regarding the Texas Sunset Advisory Commission Staff Report		01:08 start of discussion
Sunset Staff Report Recommendation 1.1 Abolish the Department of Savings and Mortgage Lending as a separate state agency and transfer regulation of state savings banks and the mortgage industry to the Texas Department of Banking.	Will Lucas made a motion to adopt the Study Committee's recommendation to disagree with Sunset Staff Report Recommendation 1.1. Phillip Holt seconded, and the motion passed with eight ayes and one nay.	11:39 start of discussion 49:52 vote
Sunset Staff Report Recommendation 1.2 Continue the Texas Department of Banking for 12 years.	Paul Plunket made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 1.2. Vince Puente seconded, and the motion	50:25 start of discussion 50:51 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
	passed unanimously.	
Sunset Staff Report Recommendation 1.3 Continue the Office of Consumer Credit Commissioner for 12 years.	Molly Curl made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 1.3. Phillip Holt seconded, and the motion passed unanimously.	51.48 start of discussion 52:00 vote
Sunset Staff Report Recommendation 2.1 Require the finance agencies to remit all administrative penalties to the General Revenue Fund.	Paul Plunket made a motion to adopt the Study Committee's recommendation to disagree with Sunset Staff Report Recommendation 2.1. Lori McCool seconded, and the motion passed unanimously.	52.36 start of discussion 59:31 vote
Sunset Staff Report Recommendation 2.2 Direct the Finance Commission to evaluate and update the agencies' key performance measures.	Jay Shands made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 2.2. Will Lucas seconded, and the motion passed unanimously.	59:50 start of discussion 01:05:27 vote
Sunset Staff Report Recommendation 2.3 Direct the Finance Commission to develop a budget policy that fosters more straightforward budgeting and fee setting.	Phillip Holt made a motion to adopt the Study Committee's recommendation to disagree with Sunset Staff Report Recommendation 2.3. Will Lucas seconded, and the motion passed unanimously.	01:05:43 start of discussion 1:20:17 vote
Sunset Staff Report Recommendation 2.4 Direct the Finance Commission to update its fund balance policy to limit growth.	Vince Puente made a motion to adopt the Study Committee's recommendation to disagree with Sunset Staff Report Recommendation 2.4. Molly Curl seconded, and the motion passed unanimously.	1:20:23 start of discussion 1:21:10 vote

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<p>Sunset Staff Recommendation 2.5 Direct the Finance Commission to develop standard policies regarding tracking and reporting travel expenditures.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 2.5. Will Lucas seconded and the motion passed unanimously.</p>	<p>1:20:19 start of discussion 1:22:55 vote</p>
<p>Sunset Staff Report Recommendation 2.6 Direct the Finance Commission to minimize duplication of agency functions and promote more cost-efficient administration of the finance agencies.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to conduct a formal study to further investigate this recommendation. Molly Curl seconded, and the motion passed unanimously.</p>	<p>1:23:09 start of discussion 1:29:15 vote</p>
<p>Sunset Staff Report Recommendation 3.1 Discontinue licensure of pawnshop employees.</p>	<p>Will Lucas made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 3.1. Phillip Holt seconded, and the motion passed.</p> <p>Will Lucas made a second motion to supersede the above motion and adopt a modified recommendation for Sunset Staff Report Recommendation 3.1 to neither agree or disagree with the recommendation. Paul Plunket seconded, and the motion passed with six ayes and three nays.</p> <p>Molly Curl made a third motion to supersede the above motion and adopt a modified recommendation to disagree with the Sunset Staff Report Recommendation. Vince Puente seconded. The motion did not pass.</p>	<p>1:29:24 start of discussion 1:43:49 vote</p>

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Sunset Staff Recommendation 3.2 Discontinue registration of cemetery brokers.	Paul Plunket made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 3.2. Phillip Holt seconded, and the motion passed unanimously.	1:47:55 start of discussion 1:48:07 vote
Sunset Staff Recommendation 3.3 Discontinue registration of private child support enforcement agencies.	Paul Plunket made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 3.3. Phillip Holt seconded, and the motion passed unanimously.	1:48:31 start of discussion 1:48:49 vote
Sunset Staff Recommendation 4.1 Authorize the agency to establish license terms in rule for death care service licensees.	Molly Curl made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 4.1. Jay Shands seconded, and the motion passed unanimously.	1:50:07 start of discussion 1:50:22 vote
Sunset Staff Recommendation 4.2 Update the agency's complaint processing provisions to meet the Sunset Commission's standard across-the-board requirements.	Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 4.2. Lori McCool seconded, and the motion passed unanimously.	1:50:37 start of discussion 1:50:52 vote
Sunset Staff Recommendation 4.3 Update outdated appeals provisions to align with the Administrative Procedure Act.	Will Lucas made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 4.3 Phillip Holt seconded and the motion passed unanimously.	1:51:05 start of discussion 1:51:16 vote

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<p>Sunset Staff Recommendation 4.4 Direct DOB and the Finance Commission to develop an updated complaint process in rule.</p>	<p>Molly Curl made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 4.4. Lori McCool seconded, and the motion passed unanimously.</p>	<p>1:51:48 start of discussion 1:52:03 vote</p>
<p>Sunset Staff Recommendation 5.1 Remove subjective licensure provisions for pawnshops and pawnshop employees.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.1. Jay Shands seconded, and the motion passed unanimously.</p>	<p>1:52:21 start of discussion 1:52:35 vote</p>
<p>Sunset Staff Report Recommendation 5.2 Authorize the agency to provide biennial license renewals for its licensees and registrants.</p>	<p>Will Lucas made a motion to adopt the Study Committee's recommendation to agree with the Sunset Staff Report Recommendation 5.2. Molly Curl seconded, and the motion passed unanimously.</p>	<p>1:53:02 start of discussion 1:53:11 vote</p>
<p>Sunset Staff Report Recommendation 5.3 Update the agency's complaint processing provisions to meet the Sunset Commission's standard across-the-board requirements.</p>	<p>Will Lucas made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.3. Lori McCool seconded, and the motion passed unanimously.</p>	<p>1:53:35 start of discussion 1:53:50 vote</p>
<p>Sunset Staff Report Recommendation 5.4 Authorize OCCC to disclose summary complaint resolution information to a complainant.</p>	<p>Molly Curl made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.4. Lori McCool seconded, and the motion passed unanimously.</p>	<p>1:54:08 start of discussion 1:54:37 vote</p>

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<p>Sunset Staff Report Recommendation 5.5 Authorize OCCC to open an investigation immediately upon reasonable suspicion of a violation.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.5. Molly Curl seconded, and the motion passed unanimously.</p>	<p>1:54:38 start of discussion 1:54:49 vote</p>
<p>Sunset Staff Report Recommendation 5.6 Remove an outdated, overly restrictive burden of proof for proving regulatory violations.</p>	<p>Molly Curl made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.6. Lori McCool seconded, and the motion passed unanimously.</p>	<p>1:55:05 1:55:19 vote</p>
<p>Sunset Staff Report Recommendation 5.7 Give OCCC standard authority to take action against crafted precious metal dealers violating state regulations.</p>	<p>Lori McCool made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.7. Jay Shands seconded, and the motion passed unanimously.</p>	<p>1:55:34 start of discussion 1:55:46 vote</p>
<p>Sunset Staff Report Recommendation 5.8 Authorize OCCC to deny renewal applications for noncompliant licensees and registrants when appropriate.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.8. Will Lucas seconded, and the motion passed unanimously.</p>	<p>1:56:04 start of discussion 1:56:15 vote</p>
<p>Sunset Staff Report Recommendation 5.9 Standardize OCCC's burden of proof for ordering restitution in all regulatory programs.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.9. Hector Cerna seconded, and the motion passed unanimously.</p>	<p>1:56:30 start of discussion 1:56:40 vote</p>

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<p>Sunset Staff Report Recommendation 5.10 Authorize OCCC to order crafted precious metal dealers to pay consumer restitution.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.10. Molly Curl seconded, and the motion passed unanimously.</p>	<p>1:57:00 start of discussion 1:57:11 vote</p>
<p>Sunset Staff Report Recommendation 5.11 Update outdated appeals provisions to align with the Administrative Procedure Act.</p>	<p>Will Lucas made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.11. Phillip Holt seconded, and the motion passed unanimously.</p>	<p>1:57:26 start of discussion 1:57:40 vote</p>
<p>Sunset Staff Report Recommendation 5.12 Direct OCCC and the Finance Commission to develop an updated complaint process in rule.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.12. Lori McCool seconded, and the motion passed unanimously.</p>	<p>1:57:55 start of 1:58:07 vote</p>
<p>Sunset Staff Report Recommendation 5.13 Direct the agency to make enforcement orders available online.</p>	<p>Hector Cerna made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 5.13. Phillip Holt seconded, and the motion passed unanimously.</p>	<p>1:58:25 start of discussion 2:04:55 vote</p>
<p>Sunset Staff Report Recommendation 6.1 Remove unnecessary, subjective licensure provisions for residential mortgage loan originators.</p>	<p>Will Lucas made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 6.1. Phillip Holt seconded, and the motion passed unanimously.</p>	<p>2:05:03 start of discussion 2:06:50 vote</p>

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<p>Sunset Staff Report Recommendation 6.2 Update the agency's complaint processing provisions to meet the Sunset Commission's standard across-the-board requirements.</p>	<p>Lori McCool made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 6.2. Phillip Holt seconded, and the motion passed unanimously.</p>	<p>2:06:52 start of discussion 2:07:05 vote</p>
<p>Sunset Staff Report Recommendation 6.3 Direct SML and the Finance Commission to develop an updated complaint process in rule.</p>	<p>Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 6.3. Jay Shands seconded, and the motion passed unanimously.</p>	<p>2:07:22 start of discussion 2:07:34 vote</p>
<p>Sunset Staff Report Recommendation 6.4 Direct the agency to modify its penalty matrix to ensure consistent application of administrative penalties.</p>	<p>Molly Curl made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 6.4. Lori McCool seconded, and the motion passed unanimously.</p>	<p>2:07:51 start of discussion 2:08:04 vote</p>
<p>Sunset Staff Report Recommendation 7.1 Update the standard across-the-board requirement related to Finance Commission member training.</p>	<p>Jay Shands made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 7.1. Phillip Holt seconded, and the motion passed unanimously.</p>	<p>2:08:19 start of discussion 2:08:32 vote</p>
<p>Sunset Staff Report Recommendation 7.2 Apply the Sunset across-the-board recommendation regarding alternative dispute resolution to the finance agencies.</p>	<p>Hector Cerna made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 7.2. Phillip Holt seconded, and the motion passed unanimously.</p>	<p>2:08:50 start of discussion 2:09:04 vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
Sunset Staff Report Recommendation 7.3 Authorize the finance agencies to establish advisory committees in rule as needed.	Phillip Holt made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 7.3. Molly Curl seconded, and the motion passed unanimously.	2:09:24 start of discussion 2:09:38 vote
Sunset Staff Report Recommendation 7.4 Continue the finance agencies' required reports.	Lori McCool made a motion to adopt the Study Committee's recommendation to agree with Sunset Staff Report Recommendation 7.4. Phillip Holt seconded, and the motion passed unanimously.	2:09:57 start of discussion 2:10:05 vote

There being no further business, Chairman Stacy G. London adjourned the meeting of the Finance Commission at 3:22 p.m. (2:11:27) on the audio file).

Stacy G. London, Chairman
Finance Commission of Texas

Charles G. Cooper, Executive Director
Finance Commission of Texas

Anne Benites, Executive Assistant
Finance Commission of Texas