

1-1 By: Kolkhorst S.B. No. 1607
 1-2 (In the Senate - Filed March 6, 2023; March 16, 2023, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 17, 2023, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 10, Nays 0; April 17, 2023,
 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	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1607 By: Kolkhorst

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to prohibiting the imposition of a monetary fine or
 1-24 penalty for a violation of a money services business's terms of
 1-25 service agreement; providing a civil penalty.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. (a) This section takes effect only if the Act of
 1-28 the 88th Legislature, Regular Session, 2023, relating to the
 1-29 regulation of money services businesses, does not become law.

1-30 (b) Subchapter E, Chapter 151, Finance Code, is amended by
 1-31 adding Section 151.406 to read as follows:

1-32 Sec. 151.406. PROHIBITION ON IMPOSITION OF FINE OR PENALTY
 1-33 FOR TERMS OF SERVICE VIOLATION. (a) A money transmission license
 1-34 holder may not include in the license holder's terms of service
 1-35 agreement a provision allowing or providing for a monetary fine or
 1-36 penalty for violating any provision of the terms of service
 1-37 agreement.

1-38 (b) This section may not be construed to prevent a money
 1-39 transmission license holder from closing a customer account as a
 1-40 result of a customer's violation of the license holder's terms of
 1-41 service agreement.

1-42 (c) In addition to any other relief provided for a violation
 1-43 of this chapter, a money transmission license holder that violates
 1-44 this section is liable to this state for a civil penalty in an
 1-45 amount equal to three times the amount of the fine or penalty
 1-46 imposed by the license holder.

1-47 (d) The attorney general may bring an action in the name of
 1-48 the state to recover the civil penalty under Subsection (c). The
 1-49 attorney general may recover attorney's fees and costs incurred in
 1-50 bringing an action under Subsection (c).

1-51 SECTION 2. (a) This section takes effect only if the Act of
 1-52 the 88th Legislature, Regular Session, 2023, relating to the
 1-53 regulation of money services businesses, becomes law.

1-54 (b) Subchapter G, Chapter 152, Finance Code, is amended by
 1-55 adding Section 152.305 to read as follows:

1-56 Sec. 152.305. PROHIBITION ON IMPOSITION OF FINE OR PENALTY
 1-57 FOR TERMS OF SERVICE VIOLATION. (a) A money transmission
 1-58 licensee may not include in the licensee's terms of service
 1-59 agreement a provision allowing or providing for a monetary fine or
 1-60 penalty for violating any provision of the terms of service

2-1 agreement.

2-2 (b) This section may not be construed to prevent a money
2-3 transmission licensee from closing a customer account as a result
2-4 of a customer's violation of the licensee's terms of service
2-5 agreement.

2-6 (c) In addition to any other relief provided for a violation
2-7 of this chapter, a money transmission licensee that violates this
2-8 section is liable to this state for a civil penalty in an amount
2-9 equal to three times the amount of the fine or penalty imposed by
2-10 the licensee.

2-11 (d) The attorney general may bring an action in the name of
2-12 the state to recover the civil penalty under Subsection (c). The
2-13 attorney general may recover attorney's fees and costs incurred in
2-14 bringing an action under Subsection (c).

2-15 SECTION 3. This Act applies only to a terms of service
2-16 agreement entered into after the effective date of this Act. A
2-17 terms of service agreement entered into before the effective date
2-18 of this Act is governed by the law as it existed immediately before
2-19 the effective date of this Act, and the former law is continued in
2-20 effect for that purpose.

2-21 SECTION 4. This Act takes effect September 1, 2023.

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