

BILL ANALYSIS

Senate Research Center

H.B. 2409
By: Solomons (Brimer)
Business & Commerce
5/20/2003
Engrossed

DIGEST AND PURPOSE

A growing number of merchants in Texas utilize the services of check guarantee or check verification services (check verifiers) to handle transactions involving checks. No federal or state law expressly permits consumers to verify the accuracy of information or to correct inaccurate information about them that check verifiers use to decide whether to accept or deny consumers' checks. H.B. 2409 provides a means for consumers to obtain and correct information about them held by check verifiers.

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 Section 20.06, Business & Commerce Code, by adding Subsection (h) to provide that this section applies to a business offering check verification or check guarantee services in this state.

SECTION 2. Amends Chapter 20, Business & Commerce Code, by adding Section 20.11, as follows:

Sec. 20.11. CHECK VERIFICATION AND CHECK GUARANTEE SERVICES;
DISCLOSURES TO CONSUMERS. (a) Defines "check verifier."

(b) Requires a check verifier, on request and proper identification provided by a consumer, to disclose to the consumer in writing all information pertaining to the consumer in the check verifier's files at the time of the request.

(c) Prohibits a check verifier from charging a consumer for disclosing the information required under Subsection (b) if the check verifier has rejected a check from the consumer in the 30 days prior to the consumer's request for information. Authorizes a check verifier otherwise to impose a reasonable charge on a consumer for the disclosure of information pertaining to the consumer in an amount not to exceed \$8.

SECTION 3. Effective date: September 1, 2003.