

## **BILL ANALYSIS**

S.B. 1583  
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Border and International Affairs  
Committee Report (Amended)

### **BACKGROUND AND PURPOSE**

Currently, companies and institutions that offer remittance services assist Texas immigrants to send money to family and friends in their countries of origin. However, the available services do not provide adequate posting of all fees and costs. Without disclosure of various fees and charges, it is difficult for a person to compare one service to another. As proposed, S.B. 1583 would require a currency exchange service to disclose to consumers the currency exchange rate and fees or commissions connected to transactions and additionally requires a currency exchange service to post currency exchange rates and fees at all locations where service are offered, and in announcements, advertisements and solicitations.

### **RULEMAKING AUTHORITY**

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

### **ANALYSIS**

SECTION 1. S.B. 1583 amends the Finance Code to require a financial currency transmission business (business) to provide a receipt to a customer at the time of a currency transmission (transmission) to another country, if it is other than in a telephonic transaction conducted on a telephone that is not designated for use in currency transmission transactions by a business. The bill provides that the receipt must clearly state the amount of currency presented for transmission and any fees charged by the business and must provide a toll-free telephone number or a local number that a customer can access at no charge to receive information about transmission.

S.B. 1583 provides that, if the rate of exchange is fixed by the business for a transaction at the time the transmission is initiated, the receipt must also disclose the rate of exchange for that transaction, the amount to be paid in foreign currency, and the period, if any, in which the payment must be made in order to qualify for the fixed rate of exchange. The bill provides that, if the rate of exchange is not fixed, the receipt must also disclose that the rate of exchange for the transaction will be set at the time the recipient of the transmission receives the funds in the foreign country. The bill also provides that, if the customer requests, the business must provide the required disclosures before completing the transaction.

S.B. 1583 authorizes the customer, on receiving the transaction receipt, to cancel the transaction before leaving the premises of the business or not later than 30 minutes after the time at which the transmission was initiated. The bill requires the business, if the customer cancels the transaction, to immediately refund the customer fees paid and currency to be transmitted. The bill prohibits a customer from cancelling a transaction after the recipient of the transmission has received the currency or its equivalent.

S.B. 1583 requires the business to make the disclosures in English and, if the currency transmission is to a country where Spanish is widely spoken, in Spanish.

S.B. 1583 provides that a person who knowingly violates this chapter is liable to the state for a civil penalty in an amount not to exceed \$1,000 for each violation. The bill authorizes the attorney general or prosecuting attorney to bring a suit to recover the civil penalty imposed under this section; and an action

in the name of the state to restrain or enjoin a person from violating this subchapter. The attorney general or prosecuting attorney is entitled to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, including reasonable attorney's fees, court costs, and investigatory costs.

SECTION 2. Effective date.

**EFFECTIVE DATE**

September 1, 2003.

**EXPLANATION OF AMENDMENTS**

The amendment specifies that the term “currency transmission business” does not include a federally insured financial institution, as defined by Section 201.101, Finance Code, that is organized under the laws of this state, another state, or the United States.”