

1-1 By: Solomons (Senate Sponsor - Brimer) H.B. No. 2409
1-2 (In the Senate - Received from the House April 28, 2003;
1-3 May 1, 2003, read first time and referred to Committee on Business
1-4 and Commerce; May 23, 2003, reported favorably by the following
1-5 vote: Yeas 9, Nays 0; May 23, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the disclosure of certain information held by a
1-9 business offering check verification or check guarantee services.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 20.06, Business & Commerce Code, is
1-12 amended by adding Subsection (h) to read as follows:

1-13 (h) This section applies to a business offering check
1-14 verification or check guarantee services in this state.

1-15 SECTION 2. Chapter 20, Business & Commerce Code, is amended
1-16 by adding Section 20.11 to read as follows:

1-17 Sec. 20.11. CHECK VERIFICATION AND CHECK GUARANTEE
1-18 SERVICES; DISCLOSURES TO CONSUMERS. (a) In this section, "check
1-19 verifier" means any business offering check verification or check
1-20 guarantee services in this state.

1-21 (b) On request and proper identification provided by a
1-22 consumer, a check verifier shall disclose to the consumer in
1-23 writing all information pertaining to the consumer in the check
1-24 verifier's files at the time of the request, including:

1-25 (1) the criteria used by the check verifier to reject a
1-26 check from the consumer;

1-27 (2) a set of instructions describing how information
1-28 is presented on the check verifier's written disclosure of the
1-29 consumer file; and

1-30 (3) a toll-free number at which personnel are
1-31 available to consumers during normal business hours for use in
1-32 resolving a dispute if the consumer submits a written dispute to the
1-33 check verifier.

1-34 (c) A check verifier may not charge a consumer for
1-35 disclosing the information required under Subsection (b) if the
1-36 check verifier has rejected a check from the consumer in the 30 days
1-37 prior to the consumer's request for information. A check verifier
1-38 may otherwise impose a reasonable charge on a consumer for the
1-39 disclosure of information pertaining to the consumer in an amount
1-40 not to exceed \$8.

1-41 SECTION 3. This Act takes effect September 1, 2003.

1-42 * * * * *