

By: Chavez

H.B. No. 2973

A BILL TO BE ENTITLED

AN ACT

relating to information concerning currency exchange rates in international transfers of money; providing a civil penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 278 to read as follows:

CHAPTER 278. REGULATION OF CURRENCY EXCHANGE RATES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 278.001. DEFINITIONS. In this chapter:

(1) "Currency" has the meaning assigned by Section 153.001.

(2) "Currency exchange" has the meaning assigned by Section 153.001.

(3) "Currency exchange service" means engaging in or offering currency exchange or transmission as a service or for profit.

(4) "Currency transmission" means receiving currency or an instrument payable in currency to transmit the currency or its equivalent by wire, computer modem, facsimile, physical transport, or any other means or through the use of a financial institution, a financial intermediary, the Federal Reserve System, or another funds transfer network.

(5) "Financial institution" has the meaning assigned by Section 201.101.

1 (6) "Major destination" means the United Mexican
2 States or any other country with which transactions comprise 10
3 percent or more of the currency transmission business generated by
4 a financial institution or currency exchange service in the
5 previous calendar year.

6 (7) "Required disclosure" means:

7 (A) all currency exchange services offered;

8 (B) the exchange rate used by the financial
9 institution or currency exchange service in connection with a
10 transaction;

11 (C) the exchange rate prevailing on the close of
12 business on the immediately preceding business day at a major
13 financial center or central bank of the foreign country;

14 (D) any commission or fees charged in connection
15 with a transaction; and

16 (E) a list of locations in the foreign country
17 where the recipient may collect the transfer, including a printed
18 sheet or brochure containing the list that the consumer may retain.

19 [Sections 278.002-278.050 reserved for expansion]

20 SUBCHAPTER B. CURRENCY EXCHANGE DISCLOSURES

21 Sec. 278.051. DISCLOSURE WITH TRANSACTION. (a) Before
22 completing a currency exchange transaction, the financial
23 institution or currency exchange service shall disclose to the
24 consumer:

25 (1) each required disclosure relating to the foreign
26 country; and

27 (2) the exact amount of foreign currency to be

1 received by the recipient in the foreign country.

2 (b) A financial institution or currency exchange service
3 shall print the disclosure information required by this section on
4 each form or receipt used in a currency transmission.

5 Sec. 278.052. POSTING OF DISCLOSURE. A financial
6 institution or currency exchange service shall prominently display
7 on the premises of each location where currency exchange services
8 are offered each required disclosure for each major destination.

9 Sec. 278.053. DISCLOSURE IN ADVERTISEMENT. A financial
10 institution or currency exchange service shall include each
11 required disclosure for each major destination in each
12 advertisement, announcement, or solicitation relating to currency
13 transmissions that is:

14 (1) distributed by mail; or

15 (2) printed, broadcast, distributed by electronic
16 media, or displayed as part of an outdoor advertising display.

17 Sec. 278.054. LANGUAGE OF DISCLOSURE. A financial
18 institution or currency exchange service shall make the disclosures
19 required by this chapter in English, Spanish, and in the same
20 language as that principally used by a financial institution or
21 currency exchange service, or any of its agents, to advertise,
22 solicit, or negotiate, whether orally or in writing, at a given
23 location, if the language is other than English or Spanish.

24 [Sections 278.055-278.100 reserved for expansion]

25 SUBCHAPTER C. ENFORCEMENT

26 Sec. 278.101. CIVIL PENALTY. (a) A person who violates
27 this chapter is liable to the state for a civil penalty in an amount

1 not to exceed \$5,000 for each violation. The attorney general or
2 the prosecuting attorney in the county in which the violation
3 occurs may bring:

4 (1) suit to recover the civil penalty imposed under
5 this section; and

6 (2) an action in the name of the state to restrain or
7 enjoin a person from violating this chapter.

8 (b) The attorney general or the prosecuting attorney in the
9 county in which the violation occurs, as appropriate, is entitled
10 to recover reasonable expenses incurred in obtaining injunctive
11 relief, civil penalties, or both, under this section, including
12 reasonable attorney's fees, court costs, and investigatory costs.

13 SECTION 2. This Act takes effect September 1, 2003.