

By: Shapleigh, Lucio

S.B. No. 1583

A BILL TO BE ENTITLED

AN ACT

relating to required information disclosures and cancellation procedures concerning international currency exchange transactions; 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 TRANSMISSIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 278.001. DEFINITIONS. In this chapter:

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

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

(3) "Currency transmission" means receiving currency or an instrument payable in currency in order 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 intermediary, the Federal Reserve System, or another funds transfer network.

(4) "Fee" does not include revenue that a currency transmission business generates in connection with a currency transmission in the conversion of a currency of one government into the currency of another government.

1 [Sections 278.002-278.050 reserved for expansion]

2 SUBCHAPTER B. CURRENCY TRANSMISSION DISCLOSURES

3 Sec. 278.051. DISCLOSURES WITH TRANSACTION. (a) Other
4 than in a telephonic transaction conducted on a telephone that is
5 not designated for use in currency transmission transactions by a
6 currency transmission business, at the time of a currency
7 transmission transaction to another country the currency
8 transmission business shall provide a receipt to the customer. The
9 receipt must:

10 (1) clearly state the amount of currency presented for
11 transmission and any fees charged by the currency transmission
12 business; and

13 (2) provide a toll-free telephone number or a local
14 number that a customer can access at no charge to receive
15 information about a currency transmission.

16 (b) If the rate of exchange for a currency transmission to
17 be paid in the currency of another country is fixed by the currency
18 transmission business for a transaction at the time the currency
19 transmission is initiated, the receipt must also disclose:

20 (1) the rate of exchange for that transaction;

21 (2) the amount to be paid in the foreign currency; and

22 (3) the period, if any, in which the payment must be
23 made in order to qualify for the fixed rate of exchange.

24 (c) If the rate of exchange for a currency transmission to
25 be paid in the currency of another country is not fixed at the time
26 the currency transmission is initiated, the receipt must also
27 disclose that the rate of exchange for the transaction will be set

1 at the time the recipient of the currency transmission receives the
2 funds in the foreign country.

3 (d) If the customer requests, the currency transmission
4 business must provide the required disclosures before completing
5 the transaction.

6 Sec. 278.052. CANCELLATION AND REFUND OF TRANSACTION. (a)
7 Except as provided by Subsection (c), on receiving the transaction
8 receipt required under Section 278.051, a customer may cancel the
9 currency transaction:

10 (1) before leaving the premises of the currency
11 transmission business; and

12 (2) not later than 30 minutes after the time at which
13 the currency transmission was initiated.

14 (b) If the customer cancels the transaction, the currency
15 transmission business shall immediately refund to the customer the
16 fees paid and currency to be transmitted.

17 (c) A customer may not cancel a transaction after the
18 recipient of the currency transmission has received the currency or
19 its equivalent.

20 Sec. 278.053. LANGUAGE OF DISCLOSURE. A currency
21 transmission business shall make the disclosures required by this
22 chapter in English and, if the currency transmission is to a country
23 where Spanish is widely spoken, in Spanish.

24 [Sections 278.054-278.100 reserved for expansion]

25 SUBCHAPTER C. ENFORCEMENT

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

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

4 (1) a 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.

1 COMMITTEE AMENDMENT NO. 1

2 Amend S.B. 1583 on page 1, line 14, by inserting after the
3 period "The term does not include a federally insured financial
4 institution, as defined by Section 201.101, that is organized under
5 the laws of this state, another state, or the United States."

6 78R15259 RCJ-F

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