

1-1 By: Shapleigh S.B. No. 1583
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on International Relations and
1-4 Trade; April 8, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 8, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1583 By: Shapleigh

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to information concerning currency exchange rates in
1-11 international transfers of money; providing a civil penalty.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subtitle Z, Title 3, Finance Code, is amended by
1-14 adding Chapter 278 to read as follows:

1-15 CHAPTER 278. REGULATION OF CURRENCY EXCHANGE RATES

1-16 SUBCHAPTER A. GENERAL PROVISIONS

1-17 Sec. 278.001. DEFINITIONS. In this chapter:

1-18 (1) "Currency" has the meaning assigned by Section
1-19 153.001.

1-20 (2) "Currency exchange" has the meaning assigned by
1-21 Section 153.001.

1-22 (3) "Currency exchange service" means engaging in or
1-23 offering currency exchange or transmission as a service or for
1-24 profit.

1-25 (4) "Currency transmission" means receiving currency
1-26 or an instrument payable in currency to transmit the currency or its
1-27 equivalent by wire, computer modem, facsimile, physical transport,
1-28 or any other means or through the use of a financial institution, a
1-29 financial intermediary, the Federal Reserve System, or another
1-30 funds transfer network.

1-31 (5) "Financial institution" has the meaning assigned
1-32 by Section 201.101.

1-33 (6) "Major destination" means the United Mexican
1-34 States or any other country with which transactions comprise 10
1-35 percent or more of the currency transmission business generated by
1-36 a currency exchange service in the previous calendar year.

1-37 (7) "Required disclosure" means:

1-38 (A) all currency exchange services offered;

1-39 (B) the exchange rate used by the currency
1-40 exchange service in connection with a transaction;

1-41 (C) the exchange rate prevailing on the close of
1-42 business on the immediately preceding business day at a major
1-43 financial center or central bank of the foreign country;

1-44 (D) any commission or fees charged in connection
1-45 with a transaction; and

1-46 (E) a list of locations in the foreign country
1-47 where the recipient may collect the transfer, including a printed
1-48 sheet or brochure containing the list that the consumer may retain.

1-49 [Sections 278.002-278.050 reserved for expansion]

1-50 SUBCHAPTER B. CURRENCY EXCHANGE DISCLOSURES

1-51 Sec. 278.051. DISCLOSURE WITH TRANSACTION. (a) Before
1-52 completing a currency exchange transaction, the currency exchange
1-53 service shall disclose to the consumer:

1-54 (1) each required disclosure relating to the foreign
1-55 country; and

1-56 (2) the exact amount of foreign currency to be
1-57 received by the recipient in the foreign country.

1-58 (b) A currency exchange service shall print the disclosure
1-59 information required by this section on each form or receipt used in
1-60 a currency transmission.

1-61 Sec. 278.052. POSTING OF DISCLOSURE. A currency exchange
1-62 service shall prominently display on the premises of each location
1-63 where currency exchange services are offered each required

disclosure for each major destination.

Sec. 278.053. DISCLOSURE IN ADVERTISEMENT. (a) Where a transaction fee is advertised, a currency exchange service shall include the corresponding exchange rate for a specified date for each major destination that is specifically mentioned in an advertisement, announcement, or solicitation to which this section applies.

(b) This section applies to an advertisement, announcement, or solicitation relating to currency transmissions that is:

- (1) distributed by mail; or
- (2) printed, broadcast, distributed by electronic media, or displayed as part of an outdoor advertising display.

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

[Sections 278.055-278.100 reserved for expansion]

SUBCHAPTER C. ENFORCEMENT

Sec. 278.101. CIVIL PENALTY. (a) A person who violates this chapter is liable to the state for a civil penalty in an amount not to exceed \$5,000 for each violation. The attorney general or the prosecuting attorney in the county in which the violation occurs may bring:

- (1) suit to recover the civil penalty imposed under this section; and
- (2) an action in the name of the state to restrain or enjoin a person from violating this chapter.

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

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

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