

BILL ANALYSIS

C.S.H.B. 607
By: Giddings
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, Texas law does not require that upon physical delivery of a check form that a signature be obtained attesting to the delivery. Hence, it is entirely legal for a courier service to simply leave a supply of blank negotiable instruments at a residence or place of business unattended and unsecured.

RULEMAKING AUTHORITY

It is the opinion of the Committee on Business & Industry that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1 of the bill defines "addressee" as a person to whom a check form is sent and defines "check form" as meaning a device for the transmission or payment of money that would--once completed--constitute a negotiable instrument and is printed with information relating to the financial institution on which payment may be drawn. It defines a "courier" as a business--other than the United States Postal Service--that delivers parcels for a fee. SECTION 1 further stipulates that a courier must obtain a signature upon delivery of check forms unless the addressee specifically notifies the person who prints the check forms that such signature is not necessary. SECTION 1 establishes a \$1,000 penalty for each violation of these requirements. SECTION 1 ends by empowering the Attorney General to bring suit to recover a civil penalty imposed under this legislation and permits the Attorney General to recover reasonable expenses incurred in obtaining that civil penalty.

EFFECTIVE DATE

SECTION 2 of the bill sets September 1, 2005 as the effective date.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute adds a definition of "courier" which the original bill did not define and substitutes "courier" for "deliverer" in various places throughout the bill.

Unlike the original bill, the substitute does not specifically address the option of sending checks using certified mail offered by the United States Postal Service.

The substitute clarifies that the Attorney General's office may recover reasonable expenses incurred in obtaining a civil penalty.