

## **BILL ANALYSIS**

Senate Research Center  
79R5927 HLT-F

H.B. 628  
By: Giddings (Ellis)  
Business & Commerce  
5/14/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, Texas law allows debt collection agencies to repeatedly contact a person in whose name a debt has been incurred. However, the law does not appropriately address the situation of a debt that was created in the course of identity theft. Thus, debt-collectors may vigorously pursue a person – who has been a victim of identity theft – for a debt that that person never actually owed.

H.B. 628 prohibits certain debt collection practices after a consumer has filed a report with a law enforcement agency related to identity theft.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 392.303, Finance Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Prohibits a debt collector from using unfair or unconscionable means in debt collection that employ certain practices, including collecting or attempting to collect an obligation under a check, draft, debit payment, or credit card payment, if certain circumstances related to identity theft apply.

(c) Provides that Subsection (a)(3) does not prohibit a debt collector from collecting or attempting to collect an obligation under a check, draft, debit payment, or credit card payment if the debt collector has credible evidence, including a document, video recording, or witness statement, that the report filed with a law enforcement agency, as required by Subsection (a)(3)(C), is fraudulent and that the check, draft, or payment was authorized.

SECTION 2. Effective date: September 1, 2005.