

By: Giddings, Gonzalez Toureilles

H.B. No. 607

Substitute the following for H.B. No. 607:

By: Bailey

C.S.H.B. No. 607

A BILL TO BE ENTITLED

AN ACT

relating to the delivery of blank check forms; providing a civil penalty.

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

SECTION 1. Subchapter D, Chapter 35, Business & Commerce Code, is amended by adding Section 35.395 to read as follows:

Sec. 35.395. DELIVERY OF CHECK FORM. (a) In this section:

(1) "Addressee" means a person to whom a check form is sent.

(2) "Check form" means a device for the transmission or payment of money that:

(A) is not a negotiable instrument under Section 3.104;

(B) if completed would be a check as that term is described by Section 3.104; and

(C) is printed with information relating to the financial institution on which the completed check may be drawn.

(3) "Courier" means a business, other than the United States Postal Service, that delivers parcels for a fee.

(b) If an addressee selects a courier for delivery of a check form, the signature of the addressee or the addressee's representative must be obtained on delivery, unless the addressee specifically notifies the person who prints the check form, or the person's agent, that the signature of the addressee or the

1 addressee's representative is not required for delivery. The
2 notification may be made in writing on the check form order, by
3 electronic selection if the check forms are ordered using the
4 Internet, by electronic mail to an address provided to the
5 addressee by the person who prints the check form or the person's
6 agent, by recorded oral notice, or by another method reasonably
7 calculated to effectively communicate the addressee's intent.

8 (c) A person who prints a check form shall notify the
9 courier of the check form if the signature of the addressee or the
10 addressee's representative is required for delivery under
11 Subsection (b).

12 (d) A person who violates Subsection (b) or (c) is subject
13 to a civil penalty of \$1,000 for each violation.

14 (e) A courier who is notified under Subsection (c) that a
15 signature is required for delivery may not deliver the check form
16 before obtaining the signature of the addressee or a representative
17 of the addressee. A courier who violates this subsection is subject
18 to a civil penalty of \$1,000 for each violation.

19 (f) The attorney general may bring suit to recover a civil
20 penalty imposed under this section. The attorney general may
21 recover reasonable expenses incurred in obtaining a civil penalty
22 under this subsection, including court costs, reasonable
23 attorney's fees, investigative costs, witness fees, and deposition
24 expenses.

25 SECTION 2. This Act takes effect January 1, 2006.