

By: Giddings

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.

(b) A person who prints a check form and sends the form to an addressee must send the check form:

(1) using the United States Postal Service; or

(2) in a manner that requires the signature of the addressee or the addressee's representative on delivery, unless the addressee specifically requests that the signature of the addressee or the addressee's representative not be required for delivery.

1 (c) A person who prints a check form shall notify the
2 deliverer of the check form if the signature of the addressee or the
3 addressee's representative is required for delivery under
4 Subsection (b).

5 (d) An addressee may require a person who prints a check
6 form to send a check form by certified mail if the person sends the
7 check form using the United States Postal Service. The person may
8 charge the addressee for the cost of sending the check form by
9 certified mail.

10 (e) A person who violates Subsection (b) or (c) or an
11 addressee's requirement under Subsection (d) is subject to a civil
12 penalty of \$1,000 for each violation.

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

19 (g) The attorney general may bring suit to recover a civil
20 penalty imposed under this section.

21 SECTION 2. This Act takes effect September 1, 2005.