

1-1 By: Giddings, Gonzalez Toureilles H.B. No. 607  
1-2 (Senate Sponsor - Ellis)  
1-3 (In the Senate - Received from the House April 14, 2005;  
1-4 April 18, 2005, read first time and referred to Committee on  
1-5 Business and Commerce; May 21, 2005, reported adversely, with  
1-6 favorable Committee Substitute by the following vote: Yeas 6,  
1-7 Nays 0; May 21, 2005, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR H.B. No. 607 By: Lucio

1-9 A BILL TO BE ENTITLED  
1-10 AN ACT

1-11 relating to the delivery of blank check forms; providing a civil  
1-12 penalty.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subchapter D, Chapter 35, Business & Commerce  
1-15 Code, is amended by adding Section 35.395 to read as follows:

1-16 Sec. 35.395. DELIVERY OF CHECK FORM. (a) In this section:

1-17 (1) "Addressee" means a person to whom a check form is  
1-18 sent.

1-19 (2) "Check form" means a device for the transmission  
1-20 or payment of money that:

1-21 (A) is not a negotiable instrument under Section  
1-22 3.104;

1-23 (B) if completed would be a check as that term is  
1-24 described by Section 3.104; and

1-25 (C) is printed with information relating to the  
1-26 financial institution on which the completed check may be drawn.

1-27 (3) "Courier" means any entity that delivers parcels for  
1-28 a fee.

1-29 (4) "Check form Provider" means a business that provides  
1-30 check forms to a customer for a personal or business account.

1-31 (b) When an addressee requests of a check form provider,  
1-32 courier delivery of a check form with signature required, and such  
1-33 service is available in the delivery area of the addressee, the  
1-34 entity making the arrangement for courier delivery pursuant to the  
1-35 request of the addressee must provide the addressee with the option  
1-36 to require that a signature of the addressee, or the representative  
1-37 of the addressee, be obtained on delivery. The option to require  
1-38 such a signature may be provided on a printed check form order form,  
1-39 on an electronic check form order form where a check form orders are  
1-40 offered on the Internet, to an electronic mail address established  
1-41 for such purpose by the entity making the offer, or by another  
1-42 method reasonably calculated to effectively communicate the  
1-43 addressee's intent.

1-44 (c) An entity making the arrangement for the courier  
1-45 delivery of a check form to an addressee pursuant to the provisions  
1-46 of Subsection (b) shall notify the courier of the check form that  
1-47 the signature of the addressee is required for delivery under  
1-48 Subsection (b).

1-49 (d) If the addressee suffers a pecuniary loss through the  
1-50 use of check forms stolen at the time of delivery to the addressee,  
1-51 a civil penalty of up to a maximum amount of \$1,000 per delivery may  
1-52 be levied upon-

1-53 (1) An entity that violates subsection (b) or (c), or  
1-54 (2) A courier who is properly notified under  
1-55 Subsection (c) that a signature is required for delivery, and  
1-56 delivers the check form without obtaining a signature of the  
1-57 addressee or a representative of the addressee.

1-58 (e) The attorney general may bring suit to recover a civil  
1-59 penalty imposed under this section. The attorney general may  
1-60 recover reasonable expenses incurred in obtaining a civil  
1-61 penalty under this subsection, including court costs,  
1-62 reasonable attorney's fees, investigative costs, witness  
1-63 fees, and deposition expenses.

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Section 2. This Act takes effect June 1, 2006.

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