

1-1 By: Giddings, Bohac (Senate Sponsor - Ellis) H.B. No. 2223  
1-2 (In the Senate - Received from the House May 2, 2005;  
1-3 May 3, 2005, read first time and referred to Committee on Business  
1-4 and Commerce; May 18, 2005, reported favorably by the following  
1-5 vote: Yeas 6, Nays 0; May 18, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the making of a notation on and the processing of a  
1-9 forged check by a financial institution.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter D, Chapter 35, Business & Commerce  
1-12 Code, is amended by adding Section 35.591 to read as follows:

1-13 Sec. 35.591. NOTATION OF FORGED CHECK. (a) In this  
1-14 section, "victim of identify theft" means a person who has filed  
1-15 with an appropriate law enforcement agency a criminal complaint  
1-16 alleging commission of an offense under Section 32.51, Penal Code.

1-17 (b) If a victim of identity theft closes an account at a  
1-18 financial institution as a result of the identity theft, notifies  
1-19 the financial institution that the identity theft is the reason for  
1-20 closing the account, provides the financial institution with a copy  
1-21 of the criminal complaint described by Subsection (a), and requests  
1-22 that the financial institution return checks with the notation  
1-23 "forgery," the financial institution shall process as forgeries the  
1-24 checks received after the customer takes those actions, in  
1-25 accordance with the financial institution's customary procedures.

1-26 (c) A victim of identity theft who requests that a financial  
1-27 institution return checks with the notation "forgery" as provided  
1-28 by Subsection (b):

1-29 (1) may not assert that the financial institution is  
1-30 liable under Section 4.402 for wrongfully dishonoring a check  
1-31 returned after the victim makes the request; and

1-32 (2) shall hold the financial institution harmless for  
1-33 acting in accordance with the victim's request.

1-34 SECTION 2. This Act takes effect September 1, 2005.

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