

By: Ellis

S.B. No. 1222

A BILL TO BE ENTITLED

AN ACT

relating to the deletion of certain electronic records concerning a customer who issues a check; 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 35.62 to read as follows:

Sec. 35.62. DELETION OF CERTAIN ELECTRONIC RECORDS CONCERNING A CUSTOMER WHO ISSUES A CHECK. (a) This section applies only to a business that accepts checks from customers in the ordinary course of business.

(b) A business shall delete any electronic record indicating that a customer has issued a dishonored check or any other information on which the business bases a refusal to accept a check from a customer not later than the 30th day after the date:

(1) the customer and the business agree that the information contained in the electronic record is incorrect; or

(2) the customer presents to the business:

(A) a report filed by the customer with a law enforcement agency stating that the dishonored check was unauthorized; and

(B) a written notice from the customer that the dishonored check was unauthorized.

(c) A business that violates Subsection (b) is liable to the state for a civil penalty of up to \$1,000. The attorney general may

1 sue to collect the penalty.

2 (d) The attorney general may recover reasonable expenses
3 incurred in obtaining a civil penalty under Subsection (c),
4 including court costs, reasonable attorney's fees, investigative
5 costs, witness fees, and deposition expenses.

6 (e) In this section, "law enforcement agency" has the
7 meaning assigned by Article 59.01, Code of Criminal Procedure.

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