

BILL ANALYSIS

C.S.H.B. 1795
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Financial Institutions
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Since the introduction of the ATM (Automatic Teller Machine), consumer theft has been of major concern to the public. This bill allows financial institutions to help ensure safety by installing special software on their ATMs. By using advances in technology, customers will be able to alert local law enforcement or limit the amount of funds that can be withdrawn from the machine.

C.S.H.B 1795 allows the Finance Commission of Texas to establish rules that enhance customer security through the implementation of new technologies.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Finance Commission and Credit Union Commission of Texas in SECTION 1 of this bill.

ANALYSIS

C.S.H.B 1795 amends Section 59.310 of the Finance Code by adding Subsection (b-1). The Finance Commission and the Credit Union Commission may adopt rules to provide for a system that enhances customer security. This system will take into account emerging technologies and the availability of networks to exchange information. The potential compliance costs for financial institutions and unmanned teller machine service providers will be considered.

EFFECTIVE DATE

Upon passage, or if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF SUBSTITUTE TO ORIGINAL

C.S.H.B. 1795 amends the original bill in Section 59.310 of the Finance Code. While the original bill provided for a specific security measure, C.S.H.B. 1795 authorizes the Finance Commission and Credit Union Commission to adopt rules providing for an enhanced security system. This system would take into account new technologies, information exchange, and potential costs of compliance for financial institutions and ATM service providers.