

By: Kent

H.B. No. 3302

A BILL TO BE ENTITLED

AN ACT

relating to the fees charged by certain check-cashing businesses;  
providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle E, Title 3, Finance Code, is amended by  
adding Chapter 158 to read as follows:

CHAPTER 158. CHECK-CASHING BUSINESSES

Sec. 158.001. DEFINITIONS. In this chapter:

(1) "Check-cashing business" means a person in the  
business of cashing checks for a fee, other than:

(A) a bank, savings and loan association, savings  
bank, or credit union;

(B) a grocery or convenience store; or

(C) a person that cashes checks as an incident to  
another business for a consideration of not more than 50 cents a  
check.

(2) "Check-cashing service" means:

(A) the issuance, redemption, or cashing of a  
two-party or multiparty check or similar negotiable instrument; or

(B) the sale, redemption, or cashing of a  
travelers check, money order, or similar negotiable instrument by  
an agent of the issuer of the instrument that is authorized to do  
so.

(3) "Convenience store" means a retail establishment

1 that is primarily engaged in the retail sale of groceries and other  
2 products and services, including:

3 (A) prepared foods;

4 (B) household items and toiletries; and

5 (C) gasoline and related automotive services.

6 (4) "Finance commission" means the Finance Commission  
7 of Texas.

8 Sec. 158.002. MAXIMUM FEE. A check-cashing business may  
9 charge a fee for providing a check-cashing service in an amount that  
10 is not more than the greater of:

11 (1) \$5 or two percent of the face value of the  
12 instrument being cashed, if the instrument is issued by the federal  
13 government, this state, or a municipality of this state;

14 (2) \$5 or three percent of the face value of the  
15 instrument being cashed, if the instrument is a payroll check or is  
16 issued by a government not described by Subdivision (1); and

17 (3) \$5 or 10 percent of the face value of the  
18 instrument being cashed, if the instrument is a personal check or  
19 for any other instrument.

20 Sec. 158.003. FINANCE COMMISSION RULES. The finance  
21 commission may adopt rules necessary to implement this chapter.

22 Sec. 158.004. ADMINISTRATIVE PENALTY. (a) The finance  
23 commission may impose an administrative penalty against a  
24 check-cashing business that violates this chapter.

25 (b) The penalty for a violation may be in an amount not to  
26 exceed \$5,000.

27 (c) The amount of the penalty shall be based on:

1           (1) the seriousness of the violation, including the  
2 nature, circumstances, extent, and gravity of any prohibited acts,  
3 and the hazard or potential hazard created to the health, safety, or  
4 welfare of the public;

5           (2) the history of any previous violations;

6           (3) the amount necessary to deter future violations;

7           (4) efforts to correct the violation; and

8           (5) any other matter that justice may require.

9           SECTION 2. This Act takes effect September 1, 2009.