

BILL ANALYSIS

H.B. 702
By: Deshotel
Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties assert that, as a result of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act, legal uncertainty exists for a class of banking transactions and that some remittance transfers, in the form of consumer international wire transfers, are no longer covered under certain federal or state laws. National organizations promoting uniform state laws relating to financial services practices are recommending that states adopt measures to resolve this inadvertent statutory gap, and other state legislatures have already taken action on this matter. H.B. 702 seeks to ensure that consumer international wire transfers will remain covered by state law in a manner consistent with other states.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 702 amends the Business & Commerce Code to establish that the Uniform Commercial Code--Funds Transfers provisions apply to a funds transfer that is a remittance transfer as defined in the federal Electronic Fund Transfer Act, unless the remittance transfer is also an electronic fund transfer as defined by the federal act. The bill establishes that, in the event of an inconsistency between the applicable provision of the Uniform Commercial Code--Funds Transfers and an applicable provision of the federal Electronic Fund Transfer Act, the federal act governs to the extent of the inconsistency.

EFFECTIVE DATE

September 1, 2013.