

By: Schofield

H.B. No. 1516

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting the imposition of a monetary fine or penalty for a violation of a money services business's terms of service agreement; providing a civil penalty.

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

SECTION 1. The heading to Subchapter G, Chapter 152, Finance Code, is amended to read as follows:

SUBCHAPTER G. GENERAL DUTIES AND RESTRICTIONS FOR ~~[TIMELY TRANSMISSION, REFUNDS, AND DISCLOSURES BY]~~ MONEY TRANSMISSION

LICENSEE

SECTION 2. Subchapter G, Chapter 152, Finance Code, is amended by adding Section 152.305 to read as follows:

Sec. 152.305. PROHIBITION ON IMPOSITION OF FINE OR PENALTY FOR TERMS OF SERVICE VIOLATION. (a) A money transmission licensee may not include in the licensee's terms of service agreement a provision allowing or providing for a monetary fine or penalty for violating any provision of the terms of service agreement.

(b) This section may not be construed to prevent a money transmission licensee from closing a customer account as a result of a customer's violation of the licensee's terms of service agreement.

(c) In addition to any other relief provided for a violation of this chapter, a money transmission licensee that violates this

1 section is liable to this state for a civil penalty in an amount
2 equal to three times the amount of the fine or penalty imposed by
3 the licensee.

4 (d) The attorney general may bring an action in the name of
5 the state to recover the civil penalty under Subsection (c). The
6 attorney general may recover attorney's fees and costs incurred in
7 bringing an action under Subsection (c).

8 SECTION 3. This Act applies only to a terms of service
9 agreement entered into after the effective date of this Act. A
10 terms of service agreement entered into before the effective date
11 of this Act is governed by the law as it existed immediately before
12 the effective date of this Act, and the former law is continued in
13 effect for that purpose.

14 SECTION 4. This Act takes effect September 1, 2025.