

By: Schofield

H. B. No. 1516

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

10 LICENSEE

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

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

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

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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.