

Texas House Bill 109

Only relevant sections of the bill are included below. The 78th Texas Legislature passed this bill in June of 2003.

SECTION 7. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 278 to read as follows:

CHAPTER 278. REGULATION OF CURRENCY TRANSMISSIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 278.001. DEFINITIONS. In this chapter:

(1) "Currency" has the meaning assigned by Section 153.001.

(2) "Currency transmission business" means engaging in or offering currency transmission as a service or for profit.

The term does not include:

(A) a federally insured financial institution, as defined by Section 201.101, that is organized under the laws of this state, another state, or the United States; or

(B) a title insurance company or title insurance agent, as defined by Article 9.02, Insurance Code.

(3) "Currency transmission" means receiving currency or an instrument payable in currency in order to transmit the currency or its equivalent by wire, computer modem, facsimile, physical transport, or any other means or through the use of a financial intermediary, the Federal Reserve System, or another funds transfer network.

(4) "Fee" does not include revenue that a currency transmission business generates in connection with a currency transmission in the conversion of a currency of one government into the currency of another government.

[Sections 278.002-278.050 reserved for expansion]

SUBCHAPTER B. CURRENCY TRANSMISSION DISCLOSURES

Sec. 278.051. DISCLOSURES WITH TRANSACTION. (a) Other than in a telephonic transaction conducted on a telephone that is not designated for use in currency transmission transactions by a currency transmission business, at the time of a currency transmission transaction to another country the currency transmission business shall provide a receipt to the customer. The

receipt must:

(1) clearly state the amount of currency presented for transmission and any fees charged by the currency transmission business; and

(2) provide a toll-free telephone number or a local number that a customer can access at no charge to receive information about a currency transmission.

(b) If the rate of exchange for a currency transmission to be paid in the currency of another country is fixed by the currency transmission business for a transaction at the time the currency transmission is initiated, the receipt must also disclose:

(1) the rate of exchange for that transaction;

(2) the amount to be paid in the foreign currency; and

(3) the period, if any, in which the payment must be made in order to qualify for the fixed rate of exchange.

(c) If the rate of exchange for a currency transmission to be paid in the currency of another country is not fixed at the time the currency transmission is initiated, the receipt must also disclose that the rate of exchange for the transaction will be set at the time the recipient of the currency transmission receives the funds in the foreign country.

(d) If the customer requests, the currency transmission business must provide the required disclosures before completing the transaction.

Sec. 278.052. CANCELLATION AND REFUND OF TRANSACTION. (a) Except as provided by Subsection (c), on receiving the transaction receipt required under Section 278.051, a customer may cancel the currency transaction:

(1) before leaving the premises of the currency transmission business; and

(2) not later than 30 minutes after the time at which the currency transmission was initiated.

(b) If the customer cancels the transaction, the currency transmission business shall immediately refund to the customer the fees paid and currency to be transmitted.

(c) A customer may not cancel a transaction after the recipient of the currency transmission has received the currency or its equivalent.

Sec. 278.053. LANGUAGE OF DISCLOSURE. A currency transmission business shall make the disclosures required by this chapter in English and, if the currency transmission is to a country where Spanish is widely spoken, in Spanish.

[Sections 278.054-278.100 reserved for expansion]

SUBCHAPTER C. ENFORCEMENT

Sec. 278.101. CIVIL PENALTY. (a) A person who knowingly violates this chapter is liable to the state for a civil penalty in an amount not to exceed \$1,000 for each violation. The attorney general or the prosecuting attorney in the county in which the violation occurs may bring:

(1) a suit to recover the civil penalty imposed under this section; and

(2) an action in the name of the state to restrain or enjoin a person from violating this chapter.

(b) The attorney general or the prosecuting attorney in the county in which the violation occurs, as appropriate, is entitled to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, under this section, including reasonable attorney's fees, court costs, and investigatory costs.

SECTION 8. Chapter 278, Finance Code, as added by this Act, takes effect September 1, 2003.

SECTION 9. (a) Except as otherwise provided by this Act, this Act takes effect January 1, 2004.

(b) The change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the former law is continued in effect for purposes of the liability for and collection of those taxes.