

**SUBJECT:** Information on business checking accounts

**COMMITTEE:** Financial Institutions — committee substitute recommended

**VOTE:** 8 ayes — Marchant, Gutierrez, Ehrhardt, Elkins, Giddings, Patterson, Smith, Solomons

0 nays

1 absent — Grusendorf

**WITNESSES:** For — Karen Neeley, Independent Bankers Association of Texas

Against — None

On — Michelle Roberts, Texas Bankers Association

**DIGEST:** CSHB 3168 would require financial institutions to keep certain account information on business checking accounts and provide that information to a person holding a bad check on the account.

In the case of a sole proprietorship, the institution would have to maintain records detailing the physical address of the business, the name and home address of the business owner, and the owner's driver's license number or personal identification card number issued by the Department of Public Safety.

For corporations, the institution would have to keep a copy of the certificate of incorporation or comparable document.

Financial institutions would have to ask account holders to inform them of any changes at least once a year.

The institution would be required to disclose the information to a person to whom it had returned a dishonored check or draft issued on the business account. The institution would not be liable for disclosing the required information and could charge a reasonable fee for the information.

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HB 3168 would take effect September 1, 1996.

SUPPORTERS  
SAY:

HB 3168 would make it easier for a person holding a dishonored check from a business to locate the business owner or the corporation. Many businesses do not put their physical address or the name of the owner on the check.

The bill would require very little paperwork for the financial institution; in many cases, the financial institution itself would wish to have this type of information on file.

OPPONENTS  
SAY:

No apparent opposition.