

## **BILL ANALYSIS**

Senate Research Center

S.B. 1663  
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Economic Development  
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As Filed

### **DIGEST**

Currently, there is some disagreement whether the Sale of Checks Act applies to a person who maintains a bank account in Texas and then engages in the business of selling checks written on the account at a place of business located outside of Texas. There is increasing suspicion that this loophole in the law is used by some out-of-state businesses to launder illegal drug profits. A money launderer operating such an account simply allows a drug trafficker to deposit cash from narcotics sales into the Texas account in exchange for checks that can be negotiated by the drug trafficker through seemingly legitimate business transactions. By conducting this type of business outside of Texas, the money launderer successfully evades Texas law. This bill will require a person engaged in the business of selling checks written on a Texas account to obtain a license regardless of where the check-selling business is located.

### **PURPOSE**

As proposed, S.B. 1663 requires a person engaged in the business of selling checks written on a Texas account to obtain a license regardless of where the check-selling business is located.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 3, Article 489d, V.T.C.S., to prohibit a person, except those specified in Section 4, from maintaining, utilizing, or otherwise controlling an account in this state for the purpose of engaging in the business of selling checks, without having first obtained a license hereunder.

SECTION 2. Severability clause.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.