

BILL ANALYSIS

Senate Research Center
76R10902 WP-F

C.S.S.B. 689
By: Carona
Economic Development
4/7/1999
Committee Report (Substituted)

DIGEST

Currently, the Sale of Check Act regulates a person or business selling checks and requires them to be licensed to conduct a regulated activity. However, businesses that transfer funds electronically are also regulated under the Act. C.S.S.B. 689 would exempt qualified persons, who operate electronic bill payment services, from the licensing requirements in the Sale of Check Act.

PURPOSE

As proposed, C.S.S.B. 689 exempts qualified persons in the businesses of electronic funds transfers from the Sale of Checks Act.

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 152.002, Finance Code, by defining “account.” Makes conforming changes.

SECTION 2. Amends Section 152.202, Finance Code, to redefine “check.” Authorizes the commissioner to exempt certain persons from licensing requirements if certain conditions are met. Provides that the exempted person is subject to any penalties under this chapter for operating without a license if it is later determined that the person did not qualify for the exemption.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 152.002, Finance Code, to redefine “account.”

SECTION 2.

Amends Section 152.202, Finance Code, by deleting proposed Subsection (b) regarding a transfer of funds.

Amends Section 152.202, Finance Code, by adding Subsections (b)(3) and (c), redefines “check,” and requires the commissioner to exempt certain persons from the licensing requirement. Provides that the exempted person is subject to penalties if the person did not qualify for the exemption.