

BILL ANALYSIS

Senate Research Center
2001S0989/1

C.S.S.B. 1355
By: Armbrister
Business & Commerce
4/5/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, a money order is presumed abandoned if it has not been negotiated and there has been no activity associated with it for a period of five years after the original sale. In addition, no service charges can be offset against the original value of the money order by the holder of the money order before the holder remits it to the comptroller. C.S.S.B. 1355 extends the time for presumption of abandonment to seven years. C.S.S.B. 1355 also clarifies that the money order holder may subtract service charges from the value of the money order before remitting the remainder to the comptroller.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 72.102(c), Property Code, to provide that a money order to which Subsection (a) applies is presumed to be abandoned on the seventh, rather than fifth, anniversary of certain dates.

SECTION 2. Amends Section 72.103, Property Code, to require a holder of abandoned property, except a provision of this section relating to a money order, to preserve the property and prohibits the holder from reducing the value of the property by certain means. Provides that value is determined as of the date of the last transaction or contact concerning the property, except that in the case of a money order, value is determined as of the date the property is presumed abandoned under Section 72.102(c). Prohibits service, maintenance, or other charges on a money order, if a holder imposes such charges prior to the time of presumed abandonment, from exceeding the amount of 50 cents per month for each month the money order remains uncashed prior to the month in which the money order is presumed abandoned.

SECTION 3. Makes application of SECTION 1 of this Act prospective.

SECTION 4. Effective date: June 1, 2004, except that SECTION 2 of this Act takes effect June 1, 2002.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. No change.

SECTION 2. Amends As Filed S.B. 1355 by prohibiting service, maintenance, or other charges on a money order, if a holder imposes such charges prior to the time of presumed abandonment, from exceeding the amount of 50 cents per month for each month the money order remains uncashed prior to the month in which the money order is presumed abandoned.

SECTION 3. Makes application of SECTION 1 prospective.

SECTION 4. Provides that SECTION 1 of this Act takes effect June 1, 2004, and SECTION 2 of this Act takes effect June 1, 2002.