

BILL ANALYSIS

Senate Research Center
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S.B. 1583
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DIGEST AND PURPOSE

Currently, companies and institutions that offer remittance services assist Texas immigrants to send money to family and friends in their countries of origin. However, the available services do not provide adequate posting of all fees and costs. Without disclosure of various fees and charges, it is difficult for a person to compare one service to another. As proposed, S.B. 1583 adds Chapter 278 to Title 3Z of the Finance Code to require a currency exchange service to disclose to consumers the currency exchange rate and fees or commissions connected to transactions and additionally requires a currency exchange service to post currency exchange rates and fees at all locations where service are offered, and in announcements, advertisements and solicitations.

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 Title 3Z, Finance Code, by adding Chapter 278, as follows:

CHAPTER 278. REGULATION OF CURRENCY EXCHANGE RATES SUBCHAPTER A. GENERAL PROVISIONS

Sec. 278.001. DEFINITIONS. Defines “currency,” “currency exchange,” “currency exchange service,” “currency transmission,” “financial institution,” “major destination,” and “required disclosure.”

[Reserves Sections 278.002-278.050 for expansion.]

SUBCHAPTER B. CURRENCY EXCHANGE DISCLOSURES

Sec. 278.051. DISCLOSURE WITH TRANSACTION. (a) Requires the financial institution or currency exchange service, before completing a currency exchange transaction, to disclose to the consumer each required disclosure relating to the foreign country and the exact amount of foreign currency to be received by the recipient in the foreign country.

(b) Requires a financial institution or currency exchange service to print the disclosure information required by this section on each form or receipt used in a currency transmission.

Sec. 278.052. POSTING OF DISCLOSURE. Requires a financial institution or currency exchange service to display prominently on the premises of each location where currency exchange services are offered each required disclosure for each major destination.

Sec. 278.053. DISCLOSURE IN ADVERTISEMENT. Requires a financial institution or currency exchange service to include each required disclosure for each major

destination in each advertisement, announcement, or solicitation relating to currency transmission that is distributed by mail or printed, broadcast, distributed by electronic media, displayed as part of an outdoor advertising display.

Sec. 278.054. LANGUAGE OF DISCLOSURE. Requires a financial institution or currency exchange service to make the disclosures required by this chapter in English, Spanish, and in the same language as that principally used by a financial institution or currency exchange service, or any of its agents, to advertise, solicit, or negotiate, whether orally or in writing, at a given location, if the language is other than English or Spanish.

[Reserves Sections 278.055-278.100 for expansion.]

SUBCHAPTER C. ENFORCEMENT

Sec. 278.101. CIVIL PENALTY. (a) Provides that a person who violates this chapter is liable to the state for a civil penalty in an amount not to exceed \$5,000 for each violation. Authorizes the attorney general or the prosecuting attorney in the county in which the violation occurs to take certain action.

(b) Provides that 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 2. Effective date: September 1, 2003.