

## BILL ANALYSIS

Senate Research Center

H.B. 607  
By: Giddings (Ellis)  
Business & Commerce  
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Engrossed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, Texas law does not require a signature to be obtained upon the physical delivery of a check form attesting to the delivery. Hence, it is legal for a courier service to leave a supply of blank negotiable instruments at a residence or place of business unattended and unsecured.

### 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 Subchapter D, Chapter 35, Business & Commerce Code, by adding Section 35.395, as follows:

Sec. 35.395. DELIVERY OF CHECK FORM. (a) Defines "addressee," "check form," and "courier."

(b) Requires, if an addressee selects a courier for delivery of a check form, the signature of the addressee or the addressee's representative to be obtained on delivery, unless the addressee specifically notifies the person who prints the check form, or the person's agent, that the signature of the addressee or the addressee's representative is not required for delivery. Authorizes the notification to be made in writing on the check form order, by electronic selection if the check forms are ordered using the Internet, by electronic mail to an address provided to the addressee by the person who prints the check form or the person's agent, by recorded oral notice, or by another method reasonably calculated to effectively communicate the addressee's intent.

(c) Requires a person who prints a check form to notify the courier of the check form if the signature of the addressee or the addressee's representative is required for delivery under Subsection (b).

(d) Provides that a person who violates Subsection (b) or (c) is subject to a civil penalty of \$1,000 for each violation.

(e) Prohibits a courier who is notified under Subsection (c) that a signature is required for delivery from delivering the check form before obtaining the signature of the addressee or a representative of the addressee. Provides that a courier who violates this subsection is subject to a civil penalty of \$1,000 for each violation.

(f) Authorizes the attorney general to bring suit to recover a civil penalty imposed under this section. Authorizes the attorney general to recover reasonable expenses incurred in obtaining a civil penalty under this subsection, including court costs, reasonable attorney's fees, investigative costs, witness fees, and deposition expenses.

(g) Provides that this section applies only to an addressee located in the delivery area of a courier. Provides that this section does not require a courier to deliver a check form to an addressee who is not located in the delivery area of the courier.

SECTION 2. Provides that the changes in law made by Section 35.395, Business & Commerce Code, as added by this Act, do not apply to the delivery of check forms if the addressee uses a check form order form that does not include an option to select a signature requirement and submits the order form before June 1, 2006.

SECTION 3. Effective date: January 1, 2006.