

1-1 By: Kolkhorst S.B. No. 512
 1-2 (In the Senate - Filed November 25, 2024; February 3, 2025,
 1-3 read first time and referred to Committee on Business & Commerce;
 1-4 April 16, 2025, reported favorably by the following vote: Yeas 11,
 1-5 Nays 0; April 16, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to prohibiting the imposition of a monetary fine or
 1-22 penalty for a violation of a money services business's terms of
 1-23 service agreement; providing a civil penalty.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. The heading to Subchapter G, Chapter 152,
 1-26 Finance Code, is amended to read as follows:

1-27 SUBCHAPTER G. GENERAL DUTIES AND RESTRICTIONS FOR [TIMELY
 1-28 ~~TRANSMISSION, REFUNDS, AND DISCLOSURES BY~~ MONEY TRANSMISSION
 1-29 LICENSEE

1-30 SECTION 2. Subchapter G, Chapter 152, Finance Code, is
 1-31 amended by adding Section 152.305 to read as follows:

1-32 Sec. 152.305. PROHIBITION ON IMPOSITION OF FINE OR PENALTY
 1-33 FOR TERMS OF SERVICE VIOLATION. (a) A money transmission
 1-34 licensee may not include in the licensee's terms of service
 1-35 agreement a provision allowing or providing for a monetary fine or
 1-36 penalty for violating any provision of the terms of service
 1-37 agreement.

1-38 (b) This section may not be construed to prevent a money
 1-39 transmission licensee from closing a customer account as a result
 1-40 of a customer's violation of the licensee's terms of service
 1-41 agreement.

1-42 (c) In addition to any other relief provided for a violation
 1-43 of this chapter, a money transmission licensee that violates this
 1-44 section is liable to this state for a civil penalty in an amount
 1-45 equal to three times the amount of the fine or penalty imposed by
 1-46 the licensee.

1-47 (d) The attorney general may bring an action in the name of
 1-48 the state to recover the civil penalty under Subsection (c). The
 1-49 attorney general may recover attorney's fees and costs incurred in
 1-50 bringing an action under Subsection (c).

1-51 SECTION 3. This Act applies only to a terms of service
 1-52 agreement entered into after the effective date of this Act. A
 1-53 terms of service agreement entered into before the effective date
 1-54 of this Act is governed by the law as it existed immediately before
 1-55 the effective date of this Act, and the former law is continued in
 1-56 effect for that purpose.

1-57 SECTION 4. This Act takes effect September 1, 2025.

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