

FINANCE CODE

TITLE 3. FINANCIAL INSTITUTIONS AND BUSINESSES

SUBTITLE Z. MISCELLANEOUS PROVISIONS RELATING TO FINANCIAL
INSTITUTIONS AND BUSINESSES

CHAPTER 277. BUSINESS CHECKING ACCOUNTS

Sec. 277.001. DEFINITIONS. In this chapter:

(1) "Business" means a legal entity, including a corporation, partnership, or sole proprietorship, that is formed for the purpose of making a profit.

(2) "Business checking account" means an account at a financial institution from which withdrawals may be made by a business by check or draft. The term includes a money market account, a negotiable order of withdrawal account, or other account at a financial institution in which the account holder has check writing privileges.

(3) "Financial institution" means a state or national bank, state or federal savings and loan association, state or federal savings bank, or state or federal credit union doing business in this state.

Added by Acts 1999, 76th Leg., ch. 998, Sec. 1, eff. Sept. 1, 1999.

Sec. 277.002. ACCOUNT INFORMATION REQUIRED. (a) A financial institution shall require, as a condition of opening or maintaining a business checking account, that the applicant or account holder provide:

(1) if the business is a sole proprietorship:

- (A) the name of the business owner;
- (B) the physical address of the business;
- (C) the home address of the business owner; and
- (D) the driver's license number of the business owner or the personal identification card number issued to the business owner by the Department of Public Safety; or

(2) if the business is a corporation or other legal entity, a copy of the business's certificate of incorporation or a comparable document and an assumed name certificate, if any.

(b) The financial institution shall request that the

account holder inform the institution at least annually of any changes in the information the institution is required to obtain under Subsection (a).

Added by Acts 1999, 76th Leg., ch. 998, Sec. 1, eff. Sept. 1, 1999.

Sec. 277.003. DISCLOSURE OF INFORMATION. (a) A financial institution may not unreasonably withhold the information described by Section 277.002 in response to a written request for the information that:

(1) is made by a person to whom the financial institution has returned a dishonored check or draft that was issued to the person by a business that maintains a business checking account; and

(2) includes a photocopy of the dishonored check or draft.

(b) A financial institution that assesses a reasonable research fee in the regular course of business may assess the fee on a person who requests information under this section.

(c) A financial institution is not liable to an account holder or other person for the disclosure of information under this section.

Added by Acts 1999, 76th Leg., ch. 998, Sec. 1, eff. Sept. 1, 1999.