

BILL ANALYSIS

Senate Research Center
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H.B. 2394
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are concerns regarding the current requirement that a party in a lawsuit requesting financial records pay for those records to be produced. Interested parties have expressed concern that some litigators are not complying with this requirement, which results in a financial institution either having to produce records without compensation for the effort or face contempt of court charges for not fulfilling the request. H.B. 2394 seeks to remedy this issue.

H.B. 2394 amends current law relating to the compelled production of certain customer records by a financial institution.

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 59.006, Finance Code, by adding Subsection (b-1), as follows:

(b-1) Prohibits a court, if the requesting party has not paid a financial institution's costs or posted a cost bond as required by Subsection (b)(2) (requiring a financial institution to produce a record in response to a record request only if, before the financial institution complies with the record request, the requesting party pays the financial institution's reasonable costs of complying with the record request, including costs of reproduction, postage, research, delivery, and attorney's fees, or posts a cost bond in an amount estimated by the financial institution to cover those costs), from:

- (1) ordering the financial institution to produce a record in response to the record request; or
- (2) finding the financial institution to be in contempt of court for failing to produce the record.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2015.