

By: Capriglione

H.B. No. 1881

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to authorizing certain private schools to charge fees for  
3 processing or handling certain payments or payment transactions.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is  
6 amended by adding Chapter 111 to read as follows:

## CHAPTER 111. PRIVATE SCHOOLS

Sec. 111.001. DEFINITIONS. In this chapter:

17 (4) "Private school" means a school that:

23 Sec. 111.002. CHARGES AND FEES FOR CERTAIN PAYMENTS AT

1 a fee, or another charge to a private school that is made or  
2 authorized in person, by mail, by telephone call, or through the  
3 Internet by means of:

4                   (1) a credit card;  
5                   (2) a debit card; or  
6                   (3) an electronic funds transfer.

7                   (b) A private school may charge a fee or other amount in  
8 connection with a payment to which this section applies, in  
9 addition to the amount of the tuition, fee, or other charge being  
10 paid, including:

11                   (1) a discount, convenience, or service charge for the  
12 transaction; or  
13                   (2) a service charge in connection with a payment  
14 transaction that is dishonored or refused for lack of funds or  
15 insufficient funds.

16                   (c) A fee or other charge under this section must be in an  
17 amount reasonable and necessary to reimburse the school for the  
18 expense incurred by the school in processing and handling the  
19 payment or payment transaction.

20                   (d) Before accepting a payment by credit card, debit card,  
21 or electronic funds transfer, the school shall notify the  
22 cardholder or other person making the payment of any fee to be  
23 charged under this section.

24                   SECTION 2. Section 59.402(b), Finance Code, is amended to  
25 read as follows:

26                   (b) This section does not apply to:  
27                   (1) a state agency, county, local governmental entity,

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1 or other governmental entity that accepts a debit or stored value  
2 card for the payment of fees, taxes, or other charges; or  
3 (2) a private school that accepts a debit card for the  
4 payment of fees or other charges, as provided by Section 111.002,  
5 Business & Commerce Code.

6 SECTION 3. Section 339.001(b), Finance Code, is amended to  
7 read as follows:

8 (b) This section does not apply to:

9                           (1) a state agency, county, local governmental entity,  
10 or other governmental entity that accepts a credit card for the  
11 payment of fees, taxes, or other charges; or

15 SECTION 4. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2015.