

BILL ANALYSIS

Senate Research Center

H.B. 1829
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Education
5/17/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Students at Texas institutions of higher education increasingly prefer the convenience of paying tuition and fees via credit card or electronic funds transfers. Banks and credit card companies typically charge fees for processing such transactions. If institutions of higher education are unable to recuperate those fees, they must either lose revenue or charge higher prices to all students. The 78th Legislature, Regular Session, 2003, authorized public institutions of higher education to charge convenience fees to those students paying via credit card or electronic funds transfer.

H.B. 1829 extends this same permission to private institutions of higher education in Texas.

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 Z, Chapter 51, Education Code, by adding Section 51.9461, as follows:

Sec. 51.9461. CHARGES AND FEES FOR CERTAIN PAYMENTS AT PRIVATE OR INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION. (a) Provides that in this section, "private or independent institution of higher education" has the meaning assigned by Section 61.003.

(b) Provides that this section applies only to a payment of tuition, a fee, or another charge made by or on behalf of a student, including a person admitted but not yet enrolled, of a private or independent institution of higher education if the payment is made or authorized in person, by mail, by telephone call, or through the Internet by means of an electronic funds transfer or a credit card.

(c) Authorizes a private or independent institution of higher education, subject to Subsection (d), to charge a fee or other amount in connection with a payment to which this section applies, in addition to the amount of the tuition, fee, or other charge being paid, including other specific charges.

(d) Prohibits a fee or other charge under this section from exceeding the actual expense incurred by the institution as a result of accepting the payment by means of an electronic funds transfer or a credit card or as a result of the payment transaction being dishonored or refused.

(e) Requires the institution to notify the student or other person making the payment of any fee to be charged under this section before accepting a payment by credit card.

SECTION 2. Amends Section 54.5011(c), Education Code, to prohibit a fee or other charge under this section from exceeding the actual expense incurred by the institution as a result of accepting the payment by means of an electronic funds transfer or a credit card or as a result of the payment transaction being dishonored or refused.

SECTION 3. Effective date: upon passage or September 1, 2005.