

BILL ANALYSIS

H.B. 1829
By: Wong
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Students at Texas institutions of higher education increasingly prefer the convenience of paying tuition and fees via credit cards or electronic funds transfers. Banks and credit card companies typically charge fees for processing such transactions, and if institutions of higher education are unable to recoup those fees, they must either lose revenue or charge higher prices to all students. In the last legislative session, the Texas Legislature authorized public institutions of higher education to charge convenience fees to those who wish to pay via credit cards and/or electronic funds transfers. House Bill 1829 extends this same permission to private institutions of higher education in Texas.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1 - Authorizes a private or independent institution of higher education to charge an additional fee in connection with a credit card or electronic funds transfer payment made by or on behalf of a student for tuition, a fee, or another charge. Such a fee or other charge must be in an amount reasonably related to the expense incurred for processing the transaction in question, and the institution must provide the payer with prior notification of any fees to be charged.

SECTION 2: Effective date.

EFFECTIVE DATE

This Act takes effect immediately if it receives a two-thirds vote of all members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.