

By: Wong

H.B. No. 1829

A BILL TO BE ENTITLED

AN ACT

relating to authorizing private or independent institutions of higher education to charge fees for processing or handling certain payments or payment transactions.

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

SECTION 1. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.9461 to read as follows:

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

(b) 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:

(1) an electronic funds transfer; or

(2) a credit card.

(c) A private or independent institution of higher education may 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:

(1) a discount, convenience, or service charge for the

1 transaction; or

2 (2) a service charge in connection with a payment  
3 transaction that is dishonored or refused for lack of funds or  
4 insufficient funds.

5 (d) A fee or other charge under this section must be in an  
6 amount reasonably related to the expense incurred by the  
7 institution in processing and handling the payment or payment  
8 transaction.

9 (e) Before accepting a payment by credit card, the  
10 institution shall notify the student or other person making the  
11 payment of any fee to be charged under this section.

12 SECTION 2. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2005.