

By: Keffer of Eastland

H.B. No. 1935

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the acceptance of credit cards by a water district for
3 the payment of fees and charges imposed by the district.

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

5 SECTION 1. Subchapter H, Chapter 49, Water Code, is amended
6 by adding Section 49.2121 to read as follows:

7 Sec. 49.2121. ACCEPTANCE OF CREDIT CARDS. (a) In this
8 section, "credit card" means a card, plate, or similar device
9 authorizing a designated person or bearer to obtain goods,
10 services, money, or any other thing of value on credit.

11 (b) A district may:

12 (1) accept a credit card for the payment of any fees
13 and charges imposed by the district;

14 (2) collect a fee, not to exceed five percent of the
15 amount of the fee or charge being paid, that is reasonably related
16 to the expense incurred by the district in processing the payment by
17 credit card; and

18 (3) collect a service charge for the expense incurred
19 by the district in collecting the original fee or charge if the
20 payment by credit card is not honored by the credit card company on
21 which the funds are drawn.

22 (c) The service charge under Subsection (b)(3) may not
23 exceed the amount charged for the collection of a check drawn on an
24 account with insufficient funds.

1 (d) The district may not collect the service charge under
2 Subsection (b)(3) if:

3 (1) the district is notified at the time of payment
4 that the payment is not honored; and

5 (2) the customer immediately submits to the district
6 an alternative form of payment.

7 SECTION 2. This Act takes effect September 1, 2005.