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.

_____   _____
        President of the Senate   Speaker of the House

        I certify that H.B. No. 1935 was passed by the House on April
22, 2005, by a non-record vote.

                                    _____

                                             Chief Clerk of the House

        I certify that H.B. No. 1935 was passed by the Senate on May
17, 2005, by the following vote: Yeas 31, Nays 0.

                                    _____

                                             Secretary of the Senate

APPROVED: _____
                    Date

            _____
                  Governor