

By: Keffer of Eastland

H.B. No. 1935

A BILL TO BE ENTITLED

AN ACT

1
2 relating to recovery of district costs associated with payment of
3 fees and charges by credit card.

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. PAYMENT OF FEES AND CHARGES BY CREDIT CARD.

8 (a) In this section, "credit card" means a card, plate, or similar
9 device used to make purchases on credit or to borrow money.

10 (b) The board may authorize the acceptance of payment by
11 credit card for any fees and charges and may collect a fee for
12 processing the payment by credit card.

13 (c) The board shall set a processing fee in an amount that is
14 reasonably related to the expense incurred by the district in
15 processing the payment by credit card, however, the fee may not
16 exceed five percent of the amount of the fee or charge being paid.

17 (d) If for any reason, a payment by credit card is not
18 honored by the credit card company on which the funds are drawn, the
19 district may collect a service charge from the person who owes the
20 fee or charge. The service charge is in addition to the original
21 fee or charge and is for the collection of that original amount.
22 The amount of the service charge is the same amount as the fee
23 charged for the collection of a check drawn on an account with
24 insufficient funds.

1 SECTION 2. Section 339.001, Finance Code is amended to read
2 as follows:

3 Sec. 339.001. IMPOSITION OF SURCHARGE FOR USE OF CREDIT.

4 (b) This section does not apply to a state agency, county,
5 local governmental entity, or other governmental entity, including
6 a district governed by Chapter 49, Water Code, that accepts a credit
7 card for the payment of fees, taxes, or other charges.

8 SECTION 3. This Act takes effect September 1, 2005.