By: Miller of Comal

H.B. No. 3392

A BILL TO BE ENTITLED

1   AN ACT

2   relating to disclosures and termination fees by certain businesses

3   providing credit card processing services.

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

5   SECTION 1. Chapter 17, Business & Commerce Code, is amended

6   by adding Subchapter L to read as follows:

7   SUBCHAPTER L. DISCLOSURES AND TERMINATION FEES BY BUSINESSES

8   PROVIDING CREDIT CARD PROCESSING SERVICES

9   Sec. 17.931. REQUIRED DISCLOSURE. (a) Except as provided

10   by Subsection (c), a person that offers a credit card processing

11   service in this state shall disclose on any contract to provide the

12   service:

13   (1) the effective date of the contract;

14   (2) the term of the contract;

15   (3) the amount of any monthly minimum fee or charge for

16   the service; and

17   (4) the amount of any fee for terminating the

18   contract.

19   (b) The disclosures required by Subsection (a) and any other

20   terms and conditions relating to the use of the credit card

21   processing service must be printed in a font size that is at least

22   eight-point.

23   (c) This section does not apply to a bank, savings bank,

24   savings and loan association, or credit union organized under the

1 laws of this state or the United States that offers a credit card

2 processing service.

3   Sec. 17.932.   TERMINATION CHARGES.   (a) A person that offers

4 a credit card processing service in this state may not charge:

5   (1)   a fee of $50 or more for terminating a contract for

6 the service; or

7   (2)   a monthly minimum fee for more than one month after

8 the date that the service contract is terminated.

9   (b)   For purposes of Subsection (a), an equipment rental or

10 lease purchase payment is not a fee.

11   Sec. 17.933.   DECEPTIVE TRADE PRACTICE.   (a)   A person who

12 violates this subchapter commits a deceptive trade practice under

13 Subchapter E subject to the remedies provided under that

14 subchapter.

15   (b)   This section does not limit any right or remedy that may

16 be available under any other law to a person who has entered into a

17 contract with a person providing credit card processing services.

18   SECTION 2.   Subchapter L, Chapter 17, Business & Commerce

19 Code, as added by this Act, applies only to a contract entered into

20 on or after the effective date of this Act.

21   SECTION 3.   This Act takes effect September 1, 2011.