

## **BILL ANALYSIS**

Senate Research Center

H.B. 3068  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law restricting surcharges on credit card transactions was enacted at a time when the use of debit cards for purchases was limited. As debit cards have become the preferred method of payment for a growing number of consumers, the need to provide similar protections to individuals who choose to utilize this form of payment also has grown. Furthermore, recent changes in federal law could result in financial alliances between large stores and large banks under which such stores could steer consumers toward those particular banks by creating financial disincentives for consumers to use the debit cards of smaller community banks. This practice is potentially discriminatory against smaller banks, the majority of which issue debit cards rather than credit cards to their customers.

H.B. 3068 seeks to extend the same level of consumer protection from surcharges to debit and stored value card transactions as is currently provided to certain other forms of payments.

H.B. 3068 amends current law relating to debit card surcharges.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 59, Finance Code, by adding Subchapter E, as follows:

#### **SUBCHAPTER E. PROHIBITION OF SURCHARGE**

Sec. 59.401. DEFINITIONS. Defines "cardholder," "debit card," "goods," "merchant," "services," and "stored value card" in this subchapter.

Sec. 59.402. IMPOSITION OF SURCHARGE FOR USE OF DEBIT OR STORED VALUE CARD. (a) Prohibits a merchant, in a sale of goods or services, from imposing a surcharge on a buyer who uses a debit or stored value card instead of cash, a check, credit card, or a similar means of payment.

(b) Provides that this section does not apply to a state agency, county, local governmental entity, or other governmental entity that accepts a debit or stored value card for the payment of fees, taxes, or other charges.

SECTION 2. Effective date: September 1, 2013.