

BILL ANALYSIS

H.B. 3068
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Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law restricting surcharges on credit card transactions was enacted at a time when the use of debit cards for purchases was limited. Interested parties assert that, 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. These parties further assert that 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. The parties contend that 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.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3068 amends the Finance Code to prohibit 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, a credit card, or a similar means of payment. The bill clarifies that its provisions do 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.

H.B. 3068 defines "stored value card" to mean a record, including a record that contains a microprocessor chip, magnetic strip, or other means of storing information, that evidences a promise made for monetary consideration by the seller or issuer of the record that goods or services will be provided to the owner of the record in the value shown in the record, that is prefunded, and the value of which is reduced on redemption, and establishes that the term does not include a gift card or gift certificate.

EFFECTIVE DATE

September 1, 2013.