

BILL ANALYSIS

Senate Research Center

S.B. 492
By: West
Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, a county may only engage law enforcement agencies for the collection of dishonored checks and credit card invoices received by the county tax assessor-collector. Section 130.006 of the Local Government Code prescribes the procedures a tax assessor-collector must follow in order to collect a dishonored check and/or credit card invoice. The official may:

- Send official notification to the maker that the check or invoice has not been honored and that the receipt, registration, certificate, or other instrument issued on the receipt of the check or invoice is not valid until payment of the fee or tax is made.
- Notify the sheriff or other law enforcement officers that a check or credit card invoice has not been honored and that the receipt, registration, certificate, or other instrument held by the maker is not valid.
- Notify the Texas Department of Motor Vehicles, the Texas comptroller of public accounts, or the Texas Department of Public Safety that the receipt, registration, certificate, or other instrument held by the maker is not valid.

S.B. 492 gives a county commissioners court the option to engage the services of a private collection company or agency. The private collection company or agency is authorized to charge the same fee to the responsible person for collection of the dishonored check currently charged by law enforcement agencies.

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

SECTION 1. Amends Section 130.006, of the Local Government Code, by making the following changes:

- Section (a) designated.
- The word "and" is struck in order to add Subsection (a)(4).
- Subsection (a)(4) is added to allow a dishonored check or credit card invoice to be referred to a private collection agency.

Subsection (b) is added to authorize the private collection agency to charge a collection fee to the person responsible for the check or invoice as authorized by Section 118.011.

S.B. 492 amends current law relating to procedures of a county tax assessor-collector for collection of dishonored checks and invoices and authorizes a fee.

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 Section 130.006, Local Government Code, as follows:

Sec. 130.006. PROCEDURES FOR COLLECTION OF DISHONORED CHECKS AND INVOICES. (a) Creates this subsection from existing text. Authorizes a county tax assessor-collector to establish procedures for the collection of dishonored checks and credit card invoices. Authorizes the procedures to include:

- (1) makes no change to this subdivision;
- (2) and (3) makes nonsubstantive changes; and
- (4) referral of a dishonored check or credit card invoice to a private collection agency.

(b) Authorizes the private collection agency, if the county tax assessor-collector refers a dishonored check or credit card invoice to a private collection agency under Subsection (a)(4), to charge a fee to the person responsible for the check or invoice in an amount equal to any amount authorized for a returned check under Section 118.011 (Fee Schedule).

SECTION 2. Effective date: upon passage or September 1, 2017.