

By: Alonzo

H.B. No. 2922

A BILL TO BE ENTITLED

AN ACT

relating to collection of a service charge by a county or municipality for a dishonored credit card.

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

SECTION 1. Section 132.004, Local Government Code, is amended to read as follows:

Sec. 132.004. SERVICE CHARGE. (a) If, for any reason, a payment by credit card is not honored by the credit card company on which the funds are drawn, the county or municipality may collect a service charge from the person who owes the fee, fine, court cost, or other charge. The service charge is in addition to the original fee, fine, court cost, or other charge and is for the collection of that original amount. The amount of the service charge is the same amount as the fee charged for the collection of a check drawn on an account with insufficient funds.

(b) A county or municipality may not collect a service charge under Subsection (a) if:

(1) the county or municipality is notified at the time of payment that the payment is not honored; and

(2) the person immediately submits to the county or municipality an alternative form of payment.

SECTION 2. Section 132.004, Local Government Code, as amended by this Act, applies only to a service charge imposed on or after the effective date of this Act. A service charge imposed

1 before the effective date of this Act is governed by the law
2 applicable to the service charge immediately before the effective
3 date of this Act, and that law is continued in effect for that
4 purpose.

5 SECTION 3. This Act takes effect September 1, 2017.