

By: Craddick

H.B. No. 876

A BILL TO BE ENTITLED

AN ACT

relating to fees charged by certain persons for the method used for payments made under an agreement.

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

SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is amended by adding Chapter 116 to read as follows:

CHAPTER 116. FEES FOR CERTAIN PAYMENT METHODS

Sec. 116.0001. DEFINITIONS. In this chapter:

(1) "Payee" means an individual who resides in this state or a corporation, trust, partnership, association, or other private legal entity authorized to do business in this state that receives money as payment under an agreement.

(2) "Person" means an individual, corporation, trust, partnership, association, or other private legal entity.

Sec. 116.0002. FEE FOR CERTAIN PAYMENTS BY PAPER CHECK PROHIBITED. (a) A person that makes a payment to a payee may not charge an additional fee to the payee because the payee elects to receive the payment by paper check instead of by an automated clearinghouse transaction or other electronic funds transfer.

(b) A provision in a contract permitting a person to charge or collect a fee from a payee in violation of Subsection (a) is void and unenforceable.

SECTION 2. To the extent of a conflict between Section 116.0002(a), Business & Commerce Code, as added by this Act, and a

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1 provision of a contract entered into before the effective date of
2 this Act, the provision of the contract prevails.

3 SECTION 3. This Act takes effect September 1, 2021.