

1 AN ACT

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

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

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

7 CHAPTER 116. FEES FOR CERTAIN PAYMENT METHODS

8 Sec. 116.0001. DEFINITIONS. In this chapter:

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

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

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

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

23 SECTION 2. To the extent of a conflict between Section
24 116.0002(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.

President of the Senate

Speaker of the House

I certify that H.B. No. 876 was passed by the House on April 9, 2021, by the following vote: Yeas 139, Nays 5, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 876 was passed by the Senate on May 19, 2021, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor