By: Craddick

H.B. No. 876

	A BILL TO BE ENTITLED
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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H.B. No. 8761 provision of a contract entered into before the effective date of2 this Act, the provision of the contract prevails.

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

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