

AN ACT

relating to a convenience fee for processing electronic payments for motor vehicles.

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

SECTION 1. Subchapter E, Chapter 348, Finance Code, is amended by adding Section 348.416 to read as follows:

Sec. 348.416. CONVENIENCE FEE FOR PROCESSING ELECTRONIC PAYMENTS AUTHORIZED. (a) In this section, "electronic payment" means a payment made by credit card, debit card, electronic funds transfer, electronic check, or other electronic method.

(b) A holder of a retail installment contract or the holder's agent may collect a fee for processing a retail buyer's electronic payment under the contract only if:

(1) the fee is reasonably related to the expense incurred by the holder or holder's agent in processing the electronic payment;

(2) the fee does not exceed the lesser of \$10 or five percent of the amount of the payment; and

(3) the holder or holder's agent:

(A) allows the buyer to make a payment by a method other than an electronic payment that does not incur a fee;

(B) does not establish electronic payment as the expected form of payment; and

(C) informs the buyer of the following before the

1 buyer agrees to make an electronic payment:

2 (i) the amount of the fee to be charged
3 under this section;

4 (ii) that the buyer may make a payment by an
5 alternative method that does not incur a fee, including by check,
6 cash, or money order; and

7 (iii) that the holder or holder's agent may
8 not establish electronic payment as the expected form of payment.

9 SECTION 2. This Act takes effect September 1, 2025.

H.B. No. 4134

President of the Senate

Speaker of the House

I certify that H.B. No. 4134 was passed by the House on April 29, 2025, by the following vote: Yeas 141, Nays 4, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4134 was passed by the Senate on May 27, 2025, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor