

1-1 By: Capriglione, et al. H.B. No. 1881  
 1-2 (Senate Sponsor - Creighton)  
 1-3 (In the Senate - Received from the House April 28, 2015;  
 1-4 May 14, 2015, read first time and referred to Committee on Business  
 1-5 and Commerce; May 19, 2015, reported favorably by the following  
 1-6 vote: Yeas 8, Nays 0; May 19, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 A BILL TO BE ENTITLED  
 1-19 AN ACT

1-20 relating to authorizing certain private schools to charge fees for  
 1-21 processing or handling certain payments or payment transactions.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is  
 1-24 amended by adding Chapter 111 to read as follows:

1-25 CHAPTER 111. PRIVATE SCHOOLS

1-26 Sec. 111.001. DEFINITIONS. In this chapter:

1-27 (1) "Cardholder" means the person named on the face of  
 1-28 a credit or debit card to whom or for whose benefit the card is  
 1-29 issued.

1-30 (2) "Credit card" means a card or device issued under  
 1-31 an agreement by which the issuer gives to a cardholder the right to  
 1-32 obtain credit from the issuer or another person.

1-33 (3) "Debit card" has the meaning assigned by Section  
 1-34 502.001.

1-35 (4) "Private school" means a school that:

1-36 (A) offers a course of instruction for students  
 1-37 in one or more grades from prekindergarten through grade 12;

1-38 (B) is not operated by a governmental entity; and

1-39 (C) is accredited by an accrediting agency that  
 1-40 is a member of the Texas Private School Accreditation Commission.

1-41 Sec. 111.002. CHARGES AND FEES FOR CERTAIN PAYMENTS AT

1-42 PRIVATE SCHOOLS. (a) This section applies to a payment of tuition,  
 1-43 a fee, or another charge to a private school that is made or  
 1-44 authorized in person, by mail, by telephone call, or through the  
 1-45 Internet by means of:

1-46 (1) a credit card;

1-47 (2) a debit card; or

1-48 (3) an electronic funds transfer.

1-49 (b) A private school may charge a fee or other amount in  
 1-50 connection with a payment to which this section applies, in  
 1-51 addition to the amount of the tuition, fee, or other charge being  
 1-52 paid, including:

1-53 (1) a discount, convenience, or service charge for the  
 1-54 transaction; or

1-55 (2) a service charge in connection with a payment  
 1-56 transaction that is dishonored or refused for lack of funds or  
 1-57 insufficient funds.

1-58 (c) A fee or other charge under this section must be in an  
 1-59 amount reasonable and necessary to reimburse the school for the  
 1-60 expense incurred by the school in processing and handling the  
 1-61 payment or payment transaction.

2-1 (d) Before accepting a payment by credit card, debit card,  
2-2 or electronic funds transfer, the school shall notify the  
2-3 cardholder or other person making the payment of any fee to be  
2-4 charged under this section.

2-5 SECTION 2. Section 59.402(b), Finance Code, is amended to  
2-6 read as follows:

2-7 (b) This section does not apply to:

2-8 (1) a state agency, county, local governmental entity,  
2-9 or other governmental entity that accepts a debit or stored value  
2-10 card for the payment of fees, taxes, or other charges; or

2-11 (2) a private school that accepts a debit card for the  
2-12 payment of fees or other charges, as provided by Section 111.002,  
2-13 Business & Commerce Code.

2-14 SECTION 3. Section 339.001(b), Finance Code, is amended to  
2-15 read as follows:

2-16 (b) This section does not apply to:

2-17 (1) a state agency, county, local governmental entity,  
2-18 or other governmental entity that accepts a credit card for the  
2-19 payment of fees, taxes, or other charges; or

2-20 (2) a private school that accepts a credit card for the  
2-21 payment of fees or other charges, as provided by Section 111.002,  
2-22 Business & Commerce Code.

2-23 SECTION 4. This Act takes effect immediately if it receives  
2-24 a vote of two-thirds of all the members elected to each house, as  
2-25 provided by Section 39, Article III, Texas Constitution. If this  
2-26 Act does not receive the vote necessary for immediate effect, this  
2-27 Act takes effect September 1, 2015.

2-28 \* \* \* \* \*