

1-1 By: Creighton S.B. No. 1596  
1-2 (In the Senate - Filed March 12, 2015; March 23, 2015, read  
1-3 first time and referred to Committee on Business and Commerce;  
1-4 April 15, 2015, reported favorably by the following vote: Yeas 9,  
1-5 Nays 0; April 15, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Eltife	X			
1-8 Creighton	X			
1-9 Ellis	X			
1-10 Huffines	X			
1-11 Schwertner	X			
1-12 Seliger	X			
1-13 Taylor of Galveston	X			
1-14 Watson	X			
1-15 Whitmire	X			
1-16				

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to authorizing certain private schools to charge fees for  
1-20 processing or handling certain payments or payment transactions.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is  
1-23 amended by adding Chapter 111 to read as follows:

1-24 CHAPTER 111. PRIVATE SCHOOLS

1-25 Sec. 111.001. DEFINITIONS. In this chapter:

1-26 (1) "Cardholder" means the person named on the face of  
1-27 a credit or debit card to whom or for whose benefit the card is  
1-28 issued.

1-29 (2) "Credit card" means a card or device issued under  
1-30 an agreement by which the issuer gives to a cardholder the right to  
1-31 obtain credit from the issuer or another person.

1-32 (3) "Debit card" has the meaning assigned by Section  
1-33 502.001.

1-34 (4) "Private school" means a school that:

1-35 (A) offers a course of instruction for students  
1-36 in one or more grades from prekindergarten through grade 12;  
1-37 (B) is not operated by a governmental entity; and  
1-38 (C) is accredited by an accrediting agency that  
1-39 is a member of the Texas Private School Accreditation Commission.

1-40 Sec. 111.002. CHARGES AND FEES FOR CERTAIN PAYMENTS AT  
1-41 PRIVATE SCHOOLS. (a) This section applies to a payment of  
1-42 tuition, a fee, or another charge to a private school that is made  
1-43 or authorized in person, by mail, by telephone call, or through the  
1-44 Internet by means of:

1-45 (1) a credit card;

1-46 (2) a debit card; or

1-47 (3) an electronic funds transfer.

1-48 (b) A private school may charge a fee or other amount in  
1-49 connection with a payment to which this section applies, in  
1-50 addition to the amount of the tuition, fee, or other charge being  
1-51 paid, including:

1-52 (1) a discount, convenience, or service charge for the  
1-53 transaction; or

1-54 (2) a service charge in connection with a payment  
1-55 transaction that is dishonored or refused for lack of funds or  
1-56 insufficient funds.

1-57 (c) A fee or other charge under this section must be in an  
1-58 amount reasonable and necessary to reimburse the school for the  
1-59 expense incurred by the school in processing and handling the  
1-60 payment or payment transaction.

1-61 (d) Before accepting a payment by credit card, debit card,

2-1 or electronic funds transfer, the school shall notify the  
2-2 cardholder or other person making the payment of any fee to be  
2-3 charged under this section.

2-4 SECTION 2. Section 59.402(b), Finance Code, is amended to  
2-5 read as follows:

2-6 (b) This section does not apply to:

2-7 (1) a state agency, county, local governmental entity,  
2-8 or other governmental entity that accepts a debit or stored value  
2-9 card for the payment of fees, taxes, or other charges; or  
2-10 (2) a private school that accepts a debit card for the  
2-11 payment of fees or other charges, as provided by Section 111.002,  
2-12 Business & Commerce Code.

2-13 SECTION 3. Section 339.001(b), Finance Code, is amended to  
2-14 read as follows:

2-15 (b) This section does not apply to:

2-16 (1) a state agency, county, local governmental entity,  
2-17 or other governmental entity that accepts a credit card for the  
2-18 payment of fees, taxes, or other charges; or  
2-19 (2) a private school that accepts a credit card for the  
2-20 payment of fees or other charges, as provided by Section 111.002,  
2-21 Business & Commerce Code.

2-22 SECTION 4. This Act takes effect immediately if it receives  
2-23 a vote of two-thirds of all the members elected to each house, as  
2-24 provided by Section 39, Article III, Texas Constitution. If this  
2-25 Act does not receive the vote necessary for immediate effect, this  
2-26 Act takes effect September 1, 2015.

2-27 \* \* \* \* \*