

1-1 By: Hancock S.B. No. 2056  
1-2 (In the Senate - Filed March 7, 2025; March 17, 2025, read  
1-3 first time and referred to Committee on Business & Commerce;  
1-4 April 14, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 14, 2025,  
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Schwertner	X		
1-10	King		X	
1-11	Blanco	X		
1-12	Campbell	X		
1-13	Creighton	X		
1-14	Johnson	X		
1-15	Kolkhorst	X		
1-16	Menéndez	X		
1-17	Middleton	X		
1-18	Nichols	X		
1-19	Zaffirini	X		

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 2056 By: Nichols

1-21 A BILL TO BE ENTITLED  
1-22 AN ACT

1-23 relating to anticompetitive and other unlawful practices and to  
1-24 certain required disclosures relating to credit card transactions;  
1-25 providing a civil penalty.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-27 SECTION 1. Title 12, Business & Commerce Code, is amended by  
1-28 adding Chapter 604B to read as follows:

1-29 CHAPTER 604B. CERTAIN PROHIBITIONS AND REQUIREMENTS RELATING TO  
1-30 CREDIT CARD TRANSACTIONS  
1-31 SUBCHAPTER A. GENERAL PROVISIONS

1-32 Sec. 604B.001. DEFINITIONS. In this chapter:

1-33 (1) "Assessment fee" means a fee paid to the payment  
1-34 card network for allowing a merchant to use a payment card or other  
1-35 payment code or device in a credit card transaction.

1-36 (2) "Cardholder" means the person to whom or for whose  
1-37 benefit a credit card is issued.

1-38 (3) "Credit card" means a card or device issued under  
1-39 an agreement by which the credit card issuer gives to a cardholder  
1-40 the right to obtain credit from the issuer or another person.

1-41 (4) "Credit card issuer" means a lender, including a  
1-42 financial institution, that issues credit cards to cardholders.

1-43 (5) "Credit card transaction" means a transaction in  
1-44 which a person uses a credit card or other payment code or device  
1-45 issued or approved through a payment card network to use a line of  
1-46 credit, whether authorization is based on a signature, personal  
1-47 identification number, or other means.

1-48 (6) "Fee schedule" means any schedule, list, table,  
1-49 chart, or similar document or agreement, whether or not publicly  
1-50 disclosed, that sets forth or fixes the amount, or the formula for  
1-51 determining the amount, of one or more fee rates.

1-52 (7) "Interchange fee" means a fee charged to a  
1-53 merchant for the purpose of compensating the credit card issuer for  
1-54 the issuer's involvement in a credit card transaction.

1-55 (8) "Merchant" means a person who accepts payment for  
1-56 goods or services through a credit card transaction.

1-57 (9) "Payment card network" means an entity that  
1-58 directly, or through a licensed member, processor, or agent,  
1-59 provides the proprietary services, infrastructure, and software  
1-60 that:

(A) route information and data to conduct a credit card transaction authorization, clearance, and settlement; and

(B) a merchant uses to accept as a form of payment a brand of credit card or other device that may be used to carry out credit card transactions.

(10) "Swipe fee" means the interchange fee and, if applicable, the assessment fee.

Sec. 604B.002. APPLICABILITY. This chapter applies only to a credit card issuer that, together with any affiliates, had consolidated worldwide banking and nonbanking assets, including affiliate assets, other than trust assets under management, of more than \$85 billion at any point during the previous calendar year.

#### SUBCHAPTER B. CREDIT CARD ISSUERS

Sec. 604B.051. PROHIBITED PRACTICES BY CREDIT CARD ISSUER. A credit card issuer may not directly or indirectly through an agent, processor, contract, requirement, condition, penalty, inducement, technological specification, or otherwise:

(1) fix or conspire to fix a swipe fee with, or on behalf of, another credit card issuer or any payment card network;

(2) receive or charge an interchange fee with respect to a credit card transaction in an amount that is included on or determined by a fee schedule that:

(A) has been fixed, established, or recommended by a payment card network; or

(B) the credit card issuer knows, or reasonably should know, is being used in the same calendar year or has been used in the previous calendar year by another credit card issuer subject to this chapter to determine the amount of an interchange fee with respect to a credit card transaction that the other credit card issuer receives or charges;

(3) charge a cardholder or a merchant a fee due to a disputed credit card transaction unless:

(A) a finding of fact concludes that the cardholder or merchant is responsible for the disputed transaction; and

(B) the cardholder or merchant is provided written notification of the finding of fact; or

(4) prohibit or penalize a merchant that offers a cardholder a discount for using cash, a debit card, or a gift card instead of a credit card for payment.

Sec. 604B.052. REQUIRED DISCLOSURE OF SWIPE FEES TO CARDHOLDERS. A credit card issuer shall disclose in a clear and conspicuous manner on a monthly statement sent to a cardholder that has been issued a credit card by the credit card issuer:

(1) whether one or more swipe fees have been charged or assessed on a credit card transaction listed on the statement;

(2) the amount of each swipe fee charged or assessed on each credit card transaction listed on the statement; and

(3) the total of all fees described by Subdivision (2) for the period covered by the applicable monthly billing cycle.

#### SUBCHAPTER C. PAYMENT CARD NETWORKS

Sec. 604B.101. PROHIBITED PRACTICES BY PAYMENT CARD NETWORK. A payment card network may not directly or indirectly through an agent, processor, contract, requirement, condition, penalty, inducement, technological specification, or otherwise:

(1) fix or conspire to fix a swipe fee with, or on behalf of, another payment card network or a credit card issuer;

(2) fix, establish, or recommend a fee schedule that the payment card network knows, or reasonably should know, has been used by one or more credit card issuers, other than the payment card network if the network is also a credit card issuer, to determine the amount of any interchange fee that the other credit card issuer or issuers, as applicable, received or charged in the current or previous calendar year;

(3) charge a cardholder or a merchant a fee for a disputed credit card transaction unless:

(A) a finding of fact concludes that the cardholder or merchant is responsible for the disputed credit card

transaction; and

(B) the cardholder or merchant is provided written notification of the finding of fact;

(4) prohibit or penalize a merchant that offers a cardholder a discount for using cash, a debit card, or a gift card instead of a credit card for payment;

(5) require a merchant to accept as payment any credit card issued by a credit card issuer, including requiring a merchant to accept one credit card as a condition for accepting as payment other credit cards that are enabled for processing over the payment card network; or

(6) charge a merchant a swipe fee or other fee on a credit card transaction without disclosing, in a clear and conspicuous manner not later than the 45th day after the date of the credit card transaction, to the merchant or another person who assists the merchant in processing credit card transactions and who has been designated by the merchant to receive the disclosure, the rate and total amount of each swipe fee or other fee charged on each credit card transaction.

#### SUBCHAPTER D. ENFORCEMENT

Sec. 604B.151. INVESTIGATION BY ATTORNEY GENERAL. If the attorney general is made aware or independently learns of a violation of this chapter, the attorney general may investigate the alleged violation to the same extent and in the same manner as an alleged antitrust violation under Chapter 15.

Sec. 604B.152. CIVIL SUITS FOR VIOLATIONS. The attorney general may file suit in district court in Travis County or in any county in the State of Texas in which any of the named defendants resides, does business, or maintains its principal office on behalf of the State of Texas to collect a civil fine from any person who the attorney general believes has violated this chapter. An individual or other person adjudged to have violated this chapter shall pay a fine to the state in an amount not to exceed:

(1) if an individual, \$300,000; or

(2) if any other person:

(A) \$3 million, if the lesser of the person's assets or market capitalization is less than \$100 million;

(B) \$20 million, if the lesser of the person's assets or market capitalization is at least \$100 million but less than \$500 million; or

(C) \$30 million, if the lesser of the person's assets or market capitalization is \$500 million or more.

Sec. 604B.153. INJUNCTIVE RELIEF. The attorney general may file suit against any person in district court in Travis County or in any county in the State of Texas in which any of the named defendants resides, does business, or maintains its principal office on behalf of the State of Texas to enjoin temporarily or permanently any activity or contemplated activity that violates or threatens to violate any of the prohibitions in this chapter. In any such suit, the court shall apply the same principles as those generally applied by courts of equity in suits for injunctive relief against threatened conduct that would cause injury to business or property. In any such suit in which the state substantially prevails on the merits, the state shall be entitled to recover the cost of suit.

Sec. 604B.154. TRANSFER OF SUIT. No suit filed under this subchapter may be transferred to another county except on order of the court.

Sec. 604B.155. AUTHORITY OF ATTORNEY GENERAL NOT LIMITED. Nothing in this subchapter shall be construed to limit the constitutional or common law authority of the attorney general to bring actions under state and federal law.

Sec. 604B.156. MUTUALLY EXCLUSIVE REMEDIES. Remedies available under Sections 604B.152 and 15.20(a) for a violation arising out of the same conduct are mutually exclusive.

Sec. 604B.157. NO PRIVATE CAUSE OF ACTION. This chapter does not create a private cause of action.

SECTION 2. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does

4-1 not affect other provisions or applications of this Act that can be  
4-2 given effect without the invalid provision or application, and the  
4-3 invalidity applies only to that person or circumstance. To this end  
4-4 the provisions of this Act are declared severable.

4-5 SECTION 3. Notwithstanding Section 604B.052, Business &  
4-6 Commerce Code, as added by this Act, a credit card issuer is not  
4-7 required to comply with that section until March 1, 2026.

4-8 SECTION 4. This Act takes effect September 1, 2025.

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