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H.B. No. 1881

A BILL TO BE ENTITLED

AN ACT

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

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

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

CHAPTER 111. PRIVATE SCHOOLS

Sec. 111.001. DEFINITIONS. In this chapter:

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

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

(3) "Debit card" has the meaning assigned by Section
[502.001](#).

(4) "Private school" means a school that:
(A) offers a course of instruction for students
in one or more grades from prekindergarten through grade 12;
(B) is not operated by a governmental entity; and
(C) is accredited by an accrediting agency that
is a member of the Texas Private School Accreditation Commission.

Sec. 111.002. CHARGES AND FEES FOR CERTAIN PAYMENTS AT
PRIVATE SCHOOLS. (a) This section applies to a payment of tuition,

1 a fee, or another charge to a private school that is made or
2 authorized in person, by mail, by telephone call, or through the
3 Internet by means of:

4 (1) a credit card;

5 (2) a debit card; or

6 (3) an electronic funds transfer.

7 (b) A private school may charge a fee or other amount in
8 connection with a payment to which this section applies, in
9 addition to the amount of the tuition, fee, or other charge being
10 paid, including:

11 (1) a discount, convenience, or service charge for the
12 transaction; or

13 (2) a service charge in connection with a payment
14 transaction that is dishonored or refused for lack of funds or
15 insufficient funds.

16 (c) A fee or other charge under this section must be in an
17 amount reasonable and necessary to reimburse the school for the
18 expense incurred by the school in processing and handling the
19 payment or payment transaction.

20 (d) Before accepting a payment by credit card, debit card,
21 or electronic funds transfer, the school shall notify the
22 cardholder or other person making the payment of any fee to be
23 charged under this section.

24 SECTION 2. Section 59.402(b), Finance Code, is amended to
25 read as follows:

26 (b) This section does not apply to:

27 (1) a state agency, county, local governmental entity,

or other governmental entity that accepts a debit or stored value card for the payment of fees, taxes, or other charges; or

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

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

(b) This section does not apply to:

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

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

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