

CHAPTER 363

H.B. No. 556

An Act relating to the authority of county, precinct and municipal officers to accept the payment by credit card of a fee, fine, court cost, or other charge and to collect a fee for processing the payment and a service charge for payments that are not honored, and to contract to seize unauthorized credit cards.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. DEFINITION. In this Act, "credit card" means a card, plate or similar device used to make purchases on credit or to borrow money.

SECTION 2. PAYMENT OF FEES OR COSTS BY CREDIT CARD. (a) The commissioners court of a county may authorize a county or precinct officer who collects fees, fines, court costs, or other charges to:

- (1) accept payment by credit card of a fee, fine, court cost, or other charge; and
- (2) collect a fee for processing the payment by credit card.

(b) The governing body of an incorporated city, town, or village may authorize a municipal officer or official who collects fees, fines, court costs, or other charges to:

- (1) accept payment by credit card of a fee, fine, court cost, or other charge; and
- (2) collect a fee for processing the payment by credit card.

SECTION 3. PROCESSING FEE. (a) The commissioners court shall set the processing fee in an amount that is reasonably related to the expense incurred by the county or precinct officer in processing the payment by credit card. However, the court may not set the processing fee in an amount that exceeds five percent of the amount of the fee, court cost, or other charge being paid.

(b) The governing body of an incorporated city, town, or village shall set the processing fee in an amount that is reasonably related to the expense incurred by the municipal officer or official in processing the payment by credit card. However, the governing body may not set the processing fee in an amount that exceeds five percent of the amount of the fee, fine, court cost, or other charge being paid.

SECTION 4. DISPOSITION OF PROCESSING FEE. (a) The county or precinct officer collecting a processing fee shall deposit the fee in the general fund of the county.

(b) The municipal officer or official collecting a processing fee shall deposit the fee in the general fund of the municipality.

SECTION 5. SERVICE CHARGE. If a payment by credit card is not honored for any reason by the credit card company on which the funds are drawn, the county or municipality is authorized to collect a service charge from the person owing the fee, fine, court cost, or other charge. The service charge is in addition to the original fee, fine, court cost, or other charge and is for the collection of that original amount. The amount of the service charge is the same amount as the fee charged for the collection of a check drawn on an account with insufficient funds.

(a) The county or precinct officer collecting a service charge shall deposit the charge in the general fund of the county.

(b) The municipal officer or official collecting a service charge shall deposit the fee in the general fund of the municipality.

SECTION 6. ENCUMBRANCE OF CREDIT CARDS; FEE. (a) A county or municipality is authorized to contract with a company issuing credit cards to collect and seize credit cards issued by the company that are outdated or otherwise unauthorized. The county or municipality may charge the company a fee for the return of the credit cards.

(b) The county or precinct officer collecting the fee shall deposit this fee in the general fund of the county.

(c) The municipal officer or official collecting the fee shall deposit this fee in the general fund of the municipality.

SECTION 7. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on March 19, 1985, by a non-record vote; House concurred in Senate amendments to H.B. No. 556 on May 20, 1985, by a non-record vote; passed by the Senate, with amendments, on May 16, 1985, by the following vote: Yeas 31, Nays 0.

Approved: June 10, 1985

Effective: August 26, 1985