

BILL ANALYSIS

H.B. 876
By: Craddick
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that, although online banking has become pervasive in recent years, many Texans still wish to receive payment by paper check for various reasons, including personal privacy issues. Concerns have been raised over reports of payors in Texas imposing extra fees on individuals who request payment by paper check, thus potentially dissuading Texans from receiving payment in their preferred form. H.B. 876 seeks to preserve Texans' fundamental right to choose the way in which they receive payment by prohibiting the imposition of these fees.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 876 amends the Business & Commerce Code to prohibit an individual, corporation, trust, partnership, association, or other private legal entity that makes a payment to a payee, as defined by the bill, from charging an additional fee to the payee for electing to receive the payment by paper check instead of by an automated clearinghouse transaction or other electronic funds transfer. The bill renders void and unenforceable any contract provision permitting a person to charge or collect such a fee from a payee, except that the bill establishes that a contract entered into before the bill's effective date prevails over the prohibition on charging certain fees to the extent of any conflict.

EFFECTIVE DATE

September 1, 2021.