

SUBJECT: Allowing higher returned-check fees for county clerks and tax assessors

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 6 ayes — Lewis, W. Smith, Casteel, Chisum, Flynn, Quintanilla

0 nays

3 absent — Farabee, Farrar, Olivo

WITNESSES: For — Jim Allison, County Judges and Commissioners Association; Gail M. Turley, County and District Clerks Association of Texas

Against — None

BACKGROUND: Under Local Government Code, ch. 118, a county official may assess a person a fee if the person writes a check to the county and a financial institution returns it, unpaid, for lack of authorized signature or because the checking account lacks sufficient funds. A county treasurer or an officer who receives revenue in place of the county treasurer may set and collect a returned-check fee of \$15 to \$30, and a county clerk may set and collect a returned-check fee of \$15 to \$25. A county tax assessor-collector has the same authority as a county clerk to set and collect a fee for a returned check.

DIGEST: HB 249 would increase to \$30 the amount of a fee that a county clerk could set and collect for a returned check.

The bill would take effect September 1, 2003.

SUPPORTERS SAY: HB 249 would establish consistency among the county clerk, treasurer, and tax assessor-collector for assessing returned-check fees, thus reducing any confusion among county officials in applying their authority in this area. The county clerks' association and county treasurers' association support the proposed legislation for this purpose.

The bill would also update a permissive 15-year-old standard for the benefit of county residents. Many counties are suffering from inadequate revenue to

satisfy demand for county services. Property taxpayers already shoulder too heavy a load in paying for these services. HB 249 would allow county clerks to assess a slightly higher fee for returned checks, which could result in more county revenue. Some counties would elect not to make any change. In either case, the bill's effect would be minimal.

**OPPONENTS
SAY:**

HB 249 would create only a uniform range for fees for returned checks, not a uniform fee itself. Thus, the bill would not necessarily clear up confusion. County clerks, tax assessors, and treasurers likely would continue to charge different fee amounts for returned checks.

NOTES:

The bill's fiscal note projects no significant fiscal implication to units of local government.