

## BILL ANALYSIS

Senate Research Center  
76R5560 BDH-D

S.B. 543  
By: Nixon  
State Affairs  
3/26/1999  
As Filed

### DIGEST

Currently, a governmental entity may choose not to accept checks as a method of payment for certain services and requirements, although most governmental entities do accept checks as a form of payment. However, Texas law does not require the entities to receive payment for taxes, goods, services, fees, fines, or penalties in the same manner as the governmental entity accepts cash. S.B. 543 would require a governmental entity to accept checks.

### PURPOSE

As proposed, S.B. 543 requires a governmental entity to accept checks.

### RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 10F, Government Code, by adding Chapter 2259, as follows:

#### CHAPTER 2259. PAYMENTS MADE TO GOVERNMENTAL ENTITY

Sec. 2259.001. DEFINITIONS. Defines “cashier’s check,” “check,” “drawee,” “drawer,” “goods,” “governmental entity,” “political subdivision,” “service,” and “state agency.”

Sec. 2259.002. METHOD OF PAYMENT. Requires a governmental entity to accept a check payable to the governmental entity as payment for taxes, goods, services, fees, fines, or penalties in the same manner the governmental entity accepts cash.

Sec. 2259.003. EXCEPTION. Authorizes a governmental entity to require a person to remit payment in cash, cashier’s check, or money order, if the person did not duly pay or honor the amount of a check within the preceding 18-month period.

Sec. 2259.004. DATE OF PAYMENT. Provides that a check constitutes payment as of the date of acceptance by the government entity, if the check is duly paid or honored by the drawee. Provides that a check does not constitute payment if the check is not paid or honored.

Sec. 2259.005. NOTICE OF NONPAYMENT. Requires a governmental entity to deliver a written notice at the appropriate address to a person who attempted payment by check, regarding nonpayment and any restriction on the method of payment authorized by Section 2259.003.

Sec. 2259.006. PROCESSING FEE FOR CHECK NOT DULY PAID OR HONORED. Authorizes a governmental entity to add a fee for processing a check and a \$50 administrative fee, to an amount of payment due if the payment is not paid or honored by the drawee.

SECTION 2. Amends Title 10F, Government Code, as follows:

SUBTITLE F. New heading: STATE AND LOCAL CONTRACTS, PAYMENTS, AND FUND  
MANAGEMENT

SECTION 3. Effective date: September 1, 1999.

Makes application of this Act prospective.

SECTION 4. Emergency clause.