

Regular Session, 2014

HOUSE BILL NO. 724

BY REPRESENTATIVE IVEY

STATE AGENCIES: Requires state departments, agencies, boards, and commissions to accept credit cards, debit cards or electronic payments

1 AN ACT

2 To amend and reenact R.S. 40:1322(A) and (B)(2) and R.S. 49:316.1, relative to state  
3 agencies; to require state departments, agencies, boards, and commissions to accept  
4 credit cards, debit cards, and similar payments of obligations; to provide for fees on  
5 certain transactions; to provide for electronic payments; to provide for exceptions;  
6 to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 40:1322(A) and (B)(2) are hereby amended and reenacted to read as  
9 follows:

10 §1322. Credit card, charge card, and debit card transactions with the Department of  
11 Public Safety and Corrections; procedures for acceptance; administrative  
12 action

13 A. The Department of Public Safety and Corrections, public safety services,  
14 or any authorized agent of the department, ~~is authorized to~~ shall accept credit cards,  
15 charge cards, or debit cards for the payment of fees, fines, taxes, penalties, and  
16 interest. The department may enter into agreements with issuing companies and  
17 banks as are necessary to implement the use of these cards.

18 B.

19 \* \* \*

1 (2) The department may charge a convenience fee on any transaction  
2 whereby a customer appears in person to conduct business with the department and  
3 requests payment by credit card, charge card, or debit card. Prior to charging the  
4 convenience fee, the total amount of the fee shall be disclosed to the customer. The  
5 customer shall have the right to decline payment of the fee and to submit payment  
6 for his transaction using another tender type. The convenience fee ~~shall be~~ may  
7 either be a uniform dollar amount or a percentage of the transaction with a minimum  
8 fee of one dollar and a maximum fee of one hundred fifty dollars. ~~The percentage~~  
9 ~~rate used to calculate the fee shall be the percentage rate used by the bank to~~  
10 ~~calculate its processing fee.~~

11 \* \* \*

12 Section 2. R.S. 49:316.1 is hereby amended and reenacted to read as follows:

13 §316.1. Payments by treasury approved credit cards, and debit cards, and electronic  
14 payments; authorizations; contracts; fees

15 A.(1) The state, through any department, agency, board, commission, or  
16 other state entity hereinafter referred to as "state entity" ~~may~~ shall accept payment  
17 of any obligation such state entity is authorized to collect, including, but not limited  
18 to, taxes, fees, charges, licenses, service fees or charges, fines, penalties, interest,  
19 sanctions, stamps, surcharges, assessments, obligations, and any other similar  
20 charges or obligations to any state entity hereinafter referred to collectively as "state  
21 charges" by credit cards, debit cards, or ~~similar payment devices~~ electronic payments  
22 approved by the treasurer as provided in this Section.

23 (2)(a) The state treasurer shall establish a fee for approved payment of  
24 transactions authorized by this Section for each card or ~~device~~ electronic payment  
25 and for each method of conducting transactions to be accepted. The fee shall be  
26 established as uniformly as possible. When accepting such cards or ~~devices~~  
27 electronic payments as authorized by this Section, any state entity ~~shall~~ may assess  
28 a fee, if such fee has been established and in the amount established by the treasurer  
29 pursuant to this Section, provided that the fee is a uniform dollar amount or

1 percentage assessed for each card or ~~device~~ electronic payment and for each method  
2 of conducting transactions to be accepted by the state entity, and such fee shall be  
3 considered a "state charge" as provided in this Section. The provisions of this  
4 Paragraph shall not be applicable to public postsecondary institutions of higher  
5 education or to transactions administered by a third-party ~~processor~~ for the  
6 ~~Department of Revenue, the Department of Insurance, the Department of~~  
7 ~~Transportation and Development, the Department of Public Safety and Corrections,~~  
8 ~~the Department of Wildlife and Fisheries, or the Department of Environmental~~  
9 ~~Quality~~ solution.

10 (b) Notwithstanding the provisions of Subparagraph (2)(a) of this Subsection  
11 and Subsection C of this Section, each public postsecondary institution of higher  
12 education may assess a fee, for each card or ~~device~~ electronic payment, and for each  
13 method of conducting transactions, to be accepted for approved payment of  
14 transactions authorized by this Section. The amount of any such fee shall be as  
15 determined by the respective public postsecondary institution of higher education  
16 and shall be considered a "state charge" as provided in this Section. Each public  
17 postsecondary institution of higher education may negotiate and enter into contracts,  
18 for periods not to exceed five years, for provision of, and activities related to, the use  
19 of such cards or ~~devices~~ electronic payments. Contracts may be made with financial  
20 providers, third-party processors, or providers for Internet and other similar use and  
21 payment acceptance with respect to such cards or ~~devices~~ electronic payments.

22 (c) Notwithstanding the provisions of Subparagraphs (a) and (b) of this  
23 Paragraph, the fee charged by a third-party ~~processor~~ solution ~~for the Department of~~  
24 ~~Revenue, the Department of Insurance, the Department of Transportation and~~  
25 ~~Development, the Department of Public Safety and Corrections, the Department of~~  
26 ~~Wildlife and Fisheries, or the Department of Environmental Quality~~ any state entity  
27 shall be a convenience fee paid directly to the private entity third-party ~~processor~~  
28 solution by the payor and shall not be considered a "state charge" as provided in this  
29 Section. However, the amount of the convenience fee shall be approved by the

1 Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways  
2 and Means. In addition, the amount of the convenience fee shall be disclosed to the  
3 payor before the transaction is completed, and the payor shall be given the option of  
4 canceling the transaction at that time.

5 (3) The authorization and use of credit and debit cards and ~~similar payment~~  
6 ~~devices~~ electronic payments to make or accept payment for any government charge  
7 or required payment shall be in accordance with the provisions of this Section, and  
8 any rules, regulations, contracts, agreements, or policies promulgated or entered into  
9 pursuant to this Section.

10 B. When a state entity accepts payment of any state charge by any card or  
11 ~~device~~ electronic payment, the liability therefor is not finally discharged and  
12 obligation for payment of such state charge is not extinguished until the state entity  
13 has received final settlement, payment, or other credit in full for the state charge and  
14 any additional permissible fees associated with the transaction. Upon receipt of the  
15 final settlement, payment, or other credit, the state charge shall be deemed paid on  
16 the date the credit or debit charge was initially made.

17 C. The treasurer shall designate any credit cards, debit cards, or ~~similar~~  
18 ~~payment devices~~ electronic payments that state entities may accept to receive  
19 payment of any state charges, and shall from time to time, but at least annually,  
20 publish a list of approved credit and debit cards by which any state entity will be  
21 authorized to accept payment of any charge or payment the state entity is authorized  
22 to collect. Any state entity may recommend that the treasurer consider a specific  
23 credit or debit card for approval. Except as provided in Subparagraph (A)(2)(b) of  
24 this Section, he shall have authority to negotiate and enter into all contracts, for  
25 periods not to exceed five years, with providers of such cards or ~~devices~~ electronic  
26 payments, including master or statewide financial providers, third-party processors,  
27 or providers for Internet and other similar use and payment acceptance using such  
28 cards or ~~devices~~ electronic payments. In negotiating such contracts and approving  
29 designated cards or ~~devices~~ electronic payments, the treasurer shall seek to achieve

1 uniform implementation and standard terms and provisions with respect to the  
2 acceptance of payments by state entities, in order to achieve maximum efficiency,  
3 uniformity, and cost effectiveness. Any contracts pursuant to this Section may  
4 include such provisions, terms, and conditions as the treasurer shall deem necessary  
5 or appropriate to fulfill those purposes, including specific terms applicable to any  
6 particular state entity, such as any limitations on amounts and limits of liabilities  
7 eligible for payment, operational requirements, types, terms, and payment of fees.

8 D. The treasurer shall by rule establish procedures and guidelines for the  
9 approval and operation of any cards or ~~devices~~ electronic payments, and fix  
10 applicable processing fees, pursuant to this Section.

11 E. The authorizations for and use of any cards or ~~devices~~ electronic  
12 payments by any state department, agency, board, commission, or other state entity,  
13 to accept payment for any state charges, shall be pursuant to and in accordance with  
14 this Section, notwithstanding any other provisions of law.

15 F. Any contracts or other binding arrangements for acceptance of credit or  
16 debit cards or ~~any other devices~~ electronic payments, in existence on August 15,  
17 1999, shall not be affected by this Section and shall be honored according to their  
18 terms.

19 G. The provisions of this Section shall not apply to any payments made  
20 through a nationwide licensing or registry system, or any payments made pursuant  
21 to the Louisiana Securities Law.

22 Section 3. This Act shall become effective on January 1, 2015.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Ivey

HB No. 724

**Abstract:** Requires state agencies to accept credit cards, debit cards, or electronic payments and provides relative to the collection of fees associated with such payments charged to the customer.

Present law authorizes state agencies to accept credit cards, debit cards, or similar payment devices approved by the treasurer and provides for the treasurer to establish fees for such transactions (R.S. 49:316.1) and provides for a separate authorization for the Dept. of Public Safety and Corrections, public safety services (R.S. 40:1322(A)) to accept similar cards. Proposed law requires state agencies to accept credit cards on transactions.

Present law (R.S. 40:1322) authorizes the collection of convenience fees on credit card transactions authorized for the Dept. of Public Safety and Corrections including a \$1 fee for transactions through a telephone or Internet and a fee on transactions where the customer appears in person with a minimum charge of \$1 and a maximum charge of \$150 allowed. Present law further provides that the percentage rate used to calculate the fee on in-person transactions is the percentage rate used by the bank to calculate its processing fee. Proposed law requires the collection of the convenience fees in present law and removes the minimum and maximum allowed amounts.

Present law (R.S. 49:316.1) requires agencies that accept credit card payments to assess certain fees, as established by the treasurer, when accepting payment as authorized in present law. Proposed law removes requirement to assess such fee and provides that the assessment of the fee is permissive.

Proposed law changes one of the payment methods authorized to be accepted from "similar payment devices" to "electronic payments" to broaden the forms of payment that can be accepted by state agencies.

Present law allows certain agencies to use a third party processor to collect a convenience fee on payments authorized in present law. Further, the amount of the convenience fee shall be approved by the Senate Committee on Revenue and Fiscal Affairs and The House Committee on Ways and Means. The agencies permitted in present law to use the third party processor are the following:

- (1) Department of Revenue.
- (2) Department of Insurance Department of Transportation and Development.
- (3) Department of Public Safety and Corrections.
- (4) Department of Wildlife and Fisheries.
- (5) Department of Environmental Quality.

Proposed law changes the agencies allowed to use a third party solution to collect a convenience fee from those agencies specifically authorized in present law to any state entity.

Proposed law provides that present and proposed law shall not apply to any payments made through a nationwide licensing or registry system, nor any payments made pursuant to the Louisiana Securities Law.

Effective Jan. 1, 2015.

(Amends R.S. 40:1322(A) and (B)(2) and R.S. 49:316.1)