Regular Session, 2013

HOUSE BILL NO. 488

BY REPRESENTATIVE IVEY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

STATE AGENCIES: Requires state departments, agencies, boards, and commissions to accept credit cards or debit cards for certain transactions

1   AN ACT

2   To amend and reenact R.S. 40:1322(A) and (B) and R.S. 49:316.1(A)(1) and to enact R.S.

3   49:316.1(G), relative to state agencies; to require state departments, agencies, boards,

4   and commissions to accept credit cards, debit cards, and similar devices in payment

5   of obligations; to provide for convenience fees on certain transactions; to provide for

6   exceptions; 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) 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.(1) The department ~~may~~ shall charge a convenience fee of one dollar on

19   any transaction whereby a person uses such a card for payment through a touch-tone

20   telephone or through the Internet.

1   (2) The department ~~may~~ <u>shall</u> 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 a

7   percentage of the transaction ~~with a minimum fee of one dollar and a maximum fee~~

8   ~~of one hundred fifty dollars~~. The percentage rate used to calculate the fee shall be

9   the percentage rate used by the bank to calculate its processing fee<u>, but shall not</u>

10   <u>exceed the cost of the processing fee charged by the bank</u>.

11   *   *   *

12   Section 2. R.S. 49:316.1(A)(1) is hereby amended and reenacted and R.S.

13   49:316.1(G) is hereby enacted to read as follows:

14   §316.1. Payments by treasury approved credit and debit cards; authorizations;

15   contracts; fees

16   A.(1) The state, through any department, agency, board, commission, or

17   other state entity hereinafter referred to as "state entity" ~~may~~ <u>shall</u> accept payment

18   of any obligation such state entity is authorized to collect, including but not limited

19   to taxes, fees, charges, licenses, service fees or charges, fines, penalties, interest,

20   sanctions, stamps, surcharges, assessments, obligations, and any other similar

21   charges or obligations to any state entity hereinafter referred to collectively as "state

22   charges" by credit cards, debit cards, or similar payment devices approved by the

23   treasurer as provided in this Section.

24   *   *   *

25   <u>G. The provisions of this Section shall not apply to any payments made</u>

26   <u>through a nationwide licensing or registry system, or any payments made pursuant</u>

27   <u>to the Louisiana Securities Law.</u>

28   Section 3. This Act shall become effective on January 1, 2014.

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)]

Ivey   HB No. 488

Abstract: Requires state agencies to accept credit cards, debit cards, or similar payment devices.

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) allows for 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. Proposed law further provides that the percentage rate used to calculate the fee on in-person transactions does not exceed the cost of the processing fee charged by the bank.

Effective Jan. 1, 2014.

(Amends R.S. 40:1322(A) and (B) and R.S. 49:316.1 (A)(1); Adds R.S. 49:316.1(G))

Summary of Amendments Adopted by House

    Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Deleted requirement that state agencies accept cash for transactions of $250 or less.

2. Required the Department of Public Safety and Corrections to charge convenience fees on credit card transactions.

3. Deleted minimum and maximum amount of charges for convenience fees charged by the Dept. of Public Safety and Corrections and added that the percentage rate used to calculate the fee does not exceed the cost of the processing fee charge by the bank.

4. Added an effective date.