

2016 Regular Session

HOUSE BILL NO. 1042

BY REPRESENTATIVE BAGLEY

LOCAL AGENCIES: Authorizes certain local and private entities to accept electronic payments for local charges

1 AN ACT

2 To amend and reenact R.S. 33:2933(A)(1), (D), and (E) and to enact R.S. 33:2933(A)(3),  
3 relative to electronic payments; to authorize certain local and private entities to  
4 accept electronic payments for local charges; to authorize such entities to assess a fee  
5 for processing such payments; to provide for definitions; and to provide for related  
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 33:2933(A)(1), (D), and (E) are hereby amended and reenacted and  
9 R.S. 33:2933(A)(3) is hereby enacted to read as follows:

10 §2933. Payments by approved credit and debit cards; authorizations; contracts; fees

11 A. As used in this Section:

12 (1) "Local entity" means any parish, municipality, or other political  
13 subdivision of the state created by law. The term also means clerks of court, sheriffs,  
14 district attorneys, and assessors.

15 \* \* \*

16 (3) "Third party solution" means a company that provides a software  
17 application, a gateway, or both, to capture credit card and other forms of electronic  
18 payments for processing by a merchant services acquirer.

19 \* \* \*

1           D. A local entity exercising the authority granted by this Section shall  
2 designate the credit cards, debit cards, or similar payment devices that it will accept  
3 to receive payment of any local charges. It shall from time to time, but at least  
4 annually, publish a list of approved credit and debit cards by which any unit of the  
5 local entity may accept payment of any local charge the local entity may collect. A  
6 local entity may negotiate and enter into all contracts, for periods not to exceed five  
7 years, with providers of such cards or devices, including master or statewide  
8 financial providers, third party processors, third party solutions, or providers for  
9 ~~Internet~~ internet and other similar use and payment acceptance using such cards or  
10 devices.

11           E.(1) A local entity exercising the authority granted by this Section shall  
12 establish procedures and guidelines for the approval and operation of any cards or  
13 devices, and fix applicable processing fees, pursuant to this Section.

14           (2) A third party solution may establish and assess a fee for processing a  
15 local charge. The fee shall be paid to the third party solution by the payor and shall  
16 not be considered a local charge as provided in this Section. The amount of the fee  
17 shall be disclosed to the payor before the transaction is completed.

18   \*           \*           \*

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)]

HB 1042 Original

2016 Regular Session

Bagley

**Abstract:** Relative to electronic payments, authorizes clerks of court, sheriffs, district attorneys, and assessors to accept such payments for local charges.

Present law authorizes a "local entity" to accept payment of any "local charge" that it, or any of its departments, agencies, boards, commissions, or other entities is authorized to collect by credit card, debit card, or similar payment device. Provides for the following definitions:

- (1) "Local charges" means taxes, fees, charges, licenses, service fees or charges, fines, penalties, interest, sanctions, stamps, surcharges, assessments, obligations, and any other similar charges or obligations owed the local entity, or any department, agency, board, commission, or other entity thereof.

- (2) "Local entity" means any parish, municipality, or other political subdivision of the state.

Proposed law retains present law and adds clerks of court, sheriffs, district attorneys, and assessors to the definition of a "local entity".

Present law requires a local entity to designate the cards and devices that it will accept to receive payment of local charges. Further requires a local entity, at least annually, to publish a list of approved cards by which any unit of the local entity may accept payment of local charges. Authorizes a local entity to negotiate and enter into all contracts, for periods not to exceed five years, with providers of such cards or devices, including master or statewide financial providers, third party processors, or providers for internet or other similar use and payment acceptance using such cards and devices.

Proposed law retains present law and additionally authorizes a local entity to negotiate and enter into contracts with "third party solutions". Defines a "third party solution" to mean a company that provides a software application, a gateway, or both, to capture credit card and other forms of electronic payments for processing by a merchant services acquirer.

Present law requires a local entity to establish procedures and guidelines for the approval and operation of any cards or devices and to fix applicable processing fees.

Proposed law retains present law and additionally authorizes a third party solution to establish and assess a fee for processing a local charge. Requires that the fee be paid to the third party solution by the payor and provides that the fee is not considered a local charge. Requires that the amount of the fee be disclosed to the payor before the transaction is completed.

(Amends R.S. 33:2933(A)(1), (D), and (E); Adds R.S. 33:2933(A)(3))