

FILED FEB 19 2002

SENATE FILE 2238
BY SCHUERER

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to discount charges and other fees for payments
2 remitted to the state by credit card and providing a standing
3 appropriation.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2238
STATE GOVERNMENT

1 Section 1. Section 12.21, Code 2001, is amended to read as
2 follows:

3 12.21 ACCEPTING CREDIT CARD PAYMENTS.

4 1. The treasurer of state may enter into an agreement with
5 a financial institution to provide credit card receipt
6 processing for state departments which are authorized by the
7 treasurer of state to accept payment by credit card. A
8 department which accepts credit card payments may adjust its
9 fees to reflect the cost of processing as determined by the
10 treasurer of state. ~~A fee may be charged by a department for~~
11 ~~using the credit card payment method notwithstanding any other~~
12 ~~provision of the Code setting specific fees.~~ The treasurer of
13 state shall adopt rules to implement this section.

14 2. There is appropriated from the general fund of the
15 state to the treasurer of state an amount sufficient to pay
16 credit card discount charges and fees charged by the financial
17 institution for credit card receipts accepted in accordance
18 with subsection 1.

19 Sec. 2. Section 14B.203, subsection 3, Code Supplement
20 2001, is amended to read as follows:

21 3. In addition to other forms of payment, credit cards
22 shall be accepted in payment for moneys owed to a governmental
23 entity as provided in this section, according to rules which
24 shall be adopted by the treasurer of state. The fees to be
25 charged shall not exceed those permitted by statute. A
26 governmental entity may adjust its fees to reflect the cost of
27 processing as determined by the treasurer of state. ~~The~~
28 Except for a payment to a state agency, the discount charged
29 by the credit card issuer may be included in determining the
30 fees to be paid for completing a financial transaction under
31 this section by using a credit card.

32 Sec. 3. Section 14B.205, Code 2001, is amended to read as
33 follows:

34 14B.205 CREDIT CARDS ACCEPTED.

35 In addition to other forms of payment, credit cards may be

1 accepted in payment for any fees, including but not limited to
2 interest, penalties, subscriptions, registrations, purchases,
3 applications, licenses, permits, or other filings transmitted
4 or transactions conducted electronically. The fees to be
5 charged shall not exceed those permitted by statute, except
6 that the discount charged by the credit card issuer may be
7 included in determining the fee to be charged by a
8 governmental entity other than a state agency for records
9 transmitted or transactions conducted electronically.

10 Sec. 4. Section 15.108, subsection 9, paragraph e, Code
11 Supplement 2001, is amended to read as follows:

12 e. ~~At-the-director's-discretion, accept~~ Accept payment by
13 credit card of any fees, interest, penalties, subscriptions,
14 registrations, purchases, or other payments, or any portion of
15 such payments, which are due or collected by the department.
16 The department may adjust the amount of the payment to reflect
17 the costs of processing the payment ~~as-determined-by-the~~
18 ~~treasurer-of-state-and-the-payment-by-credit-card-shall~~
19 ~~include, in-addition-to-all-other-charges, any-discount~~
20 ~~charged-by-the-credit-card-issuer.~~

21 Sec. 5. Section 421.17, subsection 31, Code Supplement
22 2001, is amended to read as follows:

23 31. ~~At-the-director's-discretion, accept~~ Accept payment of
24 taxes, penalties, interest, and fees, or any portion thereof
25 of the payment, by credit card. The director may adjust the
26 payable amount to reflect the costs of processing the payment
27 as determined by the treasurer of state ~~and-the-payment-by~~
28 ~~credit-card-shall-include, in-addition-to-all-other-charges,~~
29 ~~any-discount-charged-by-the-credit-card-issuer.~~

30 Sec. 6. Section 421.17, subsection 34, paragraph f, Code
31 Supplement 2001, is amended to read as follows:

32 f. ~~At-the-director's-discretion, the~~ The department may
33 shall accept payment of debts, interest, and fees, or any
34 portion of the payment by credit card. The director may
35 adjust the payable amount to reflect the costs of processing

1 the payment ~~as-determined-by-the-treasurer-of-state-and-the~~
2 ~~payment-by-credit-card-shall-include,-in-addition-to-all-other~~
3 ~~charges,-any-discount-charge-by-the-credit-card-issuer.~~

4 Sec. 7. Section 455A.4, subsection 5, Code 2001, is
5 amended to read as follows:

6 5. The department may accept payment of any fees,
7 interest, penalties, subscriptions, or other payments due or
8 collected by the department, or any portion of such payments,
9 by credit card. The department may adjust the amount of the
10 payment to reflect the costs of processing the payment ~~as~~
11 ~~determined-by-the-treasurer-of-state-and-the-payment-by-credit~~
12 ~~card-shall-include,-in-addition-to-all-other-charges,-any~~
13 ~~discount-charged-by-the-credit-card-issuer.~~

14 EXPLANATION

15 This bill relates to discount charges and other fees for
16 payments remitted to the state by credit card.

17 Under current law in Code section 12.21, the treasurer of
18 state is authorized to enter into an agreement with a
19 financial institution to provide credit card receipt
20 processing for state departments. The bill provides a
21 standing unlimited appropriation to pay the credit card
22 discount charges or other fees charged by the financial
23 institution for credit card receipts generated by the state.

24 The bill eliminates authorization in the following Code
25 sections for a state agency to include the credit card
26 discount charges in fees charged by the state agency for use
27 of a credit card: Code section 14B.203, relating to fees
28 charged by the department of information technology; Code
29 section 14B.205, relating to acceptance of a credit card
30 payment by a state agency through the department of
31 information technology; Code section 15.108, relating to
32 acceptance of credit card payments by the department of
33 economic development; Code section 421.17, relating to
34 acceptance of credit card payments by the department of
35 revenue and finance; and Code section 455A.4, relating to

1 acceptance of credit card payments by the department of
2 natural resources.

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