
DIGEST

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HB 638 Engrossed

2015 Regular Session

Ivey

Abstract: Provides relative to the collection of fees associated with payments to state agencies made by a customer through credit cards, debit cards, or other forms of electronic payments.

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

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 changes the provisions regarding the amount of the convenience fee from a required amount to a fee that may either be a uniform dollar amount, a percentage of the transaction, or a tiered amount based on the transaction amount.

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 further changes the provisions regarding the amount of the convenience fee from a uniform dollar amount to a fee that may either be a uniform dollar amount, a percentage of the transaction, or a tiered amount based on the transaction amount.

Proposed law changes one of the payment methods authorized to be accepted from "similar payment devices" to "other forms of 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.
- (3) Department of Transportation and Development.
- (4) Department of Public Safety and Corrections.
- (5) Department of Wildlife and Fisheries.
- (6) Department of Environmental Quality.

Proposed law provides for review and recommendation of the treasurer on the fee charged by a third-party solution.

Proposed law changes the term of the third-party that is authorized in present law from "third-party processor" to "third-party solution" and further defines third-party solution.

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 does not apply to any payments made through a nationwide licensing or registry system, or any payments made pursuant to present law in the Louisiana Securities Law.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the provisions regarding the amount of the convenience fee from a required or uniform dollar amount to a fee that may either be a uniform dollar amount, a percentage of the transaction, or a tiered amount based on the transaction amount.
2. Provide for review and recommendation of the treasurer on the fee charged by a third-party solution.
3. Exclude application of present and proposed law from any payments made through a nationwide licensing or registry system, or any payments made pursuant to present law in the Louisiana Securities Law.