

SENATE BILL NO. 163
INTRODUCED BY J. MANGAN

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE PAYMENT OF TAXES AND FEES TO LOCAL GOVERNMENT ENTITIES BY CREDIT CARD OR OTHER COMMERCIALY ACCEPTABLE MEANS; PROVIDING THAT THE PAYMENT IS NOT CONSIDERED MADE UNTIL THE LOCAL GOVERNMENT ENTITY RECEIVES ITS PAYMENT FROM THE FINANCIAL INSTITUTION OR CREDIT CARD COMPANY; ALLOWING THAT A FEE BE CHARGED UPON NOTICE OF NONPAYMENT; IMPOSING A CONVENIENCE FEE ON A PERSON PAYING BY CREDIT CARD OR OTHER COMMERCIALY ACCEPTABLE MEANS; REQUIRING THE FEE TO BE DEPOSITED IN A LOCAL GOVERNMENT ENTITY'S GENERAL FUND; ALLOWING LOCAL GOVERNMENT ENTITIES TO ENTER INTO ANY NECESSARY AGREEMENTS WITH FINANCIAL INSTITUTIONS, CREDIT CARD COMPANIES, AND STATE AGENCIES; SPECIFYING THAT FEES PAID TO FINANCIAL INSTITUTIONS OR CREDIT CARD COMPANIES MUST BE PAID FROM A LOCAL GOVERNMENT ENTITY'S GENERAL FUND; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Payment of fees and taxes by credit card and other commercially acceptable means. (1) A local government entity may accept payment by credit card, debit card, charge card, or other commercially acceptable means from a person making payment to the entity of taxes or fees that are legally authorized and imposed.

(2) (a) If the payment is made by credit card, debit card, charge card, or similar method, the tax or fee liability is not discharged and the person has not paid the tax or fee until the local government entity receives payment or credit from the institution responsible for making the payment or credit. Upon receipt of the payment or credit, the amount is considered paid on the date on which the charge was made by the person paying the tax or fee.

(b) Upon notice of nonpayment, the local government entity may charge the person who attempted the payment of the tax or fee an amount not to exceed the costs of processing the claim for payment of the tax or fee. The amount that the local government entity charges must be added to the tax or fee due and collected in the same manner as the tax or fee due.

(3) (a) A person who makes payments to a local government entity as provided in this section shall pay

a convenience fee equal to 3% of the amount of the payment.

(b) The local government entity shall deposit the convenience fees collected in the entity's general fund.

(4) (a) The local government entity may negotiate and enter into agreements with and pay required fees to financial institutions or credit card companies as necessary to facilitate implementation of this section.

(b) A financial institution or credit card company may not prohibit collection of the convenience fee provided for in subsection (3).

(c) Fees paid to a financial institution or credit card company must be paid from the local government entity's general fund.

(5) A local government entity may enter into cooperative agreements with state agencies as necessary to carry out the provisions of this section.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 7, chapter 6, part 6, and the provisions of Title 7, chapter 6, part 6, apply to [section 1].

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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