

ASSEMBLY BILL NO. 402—ASSEMBLYMAN OCEGUERA

MARCH 21, 2011

Referred to Committee on Government Affairs

SUMMARY—Requires a state agency to enter into or participate in a contract to allow it to accept credit cards, debit cards or electronic transfers of money to the agency unless it is impracticable for the agency to do so. (BDR 31-968)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to state financial administration; requiring a state agency to seek and obtain the approval of the State Board of Finance to enter into a contract to allow the agency to accept credit or debit cards or electronic transfers of money unless it is impracticable for the agency to enter into such a contract; authorizing the Director of the Department of Administration to enter into contracts for the benefit of all state agencies for the acceptance of credit or debit cards or electronic transfers of money, in which any state agency may participate; requiring a state agency that does not enter into such a contract or participate in a contract entered into by the Director of the Department of Administration to report periodically to the Legislative Commission and the Interim Finance Committee concerning the reasons for the failure; requiring the administration of such contracts to be coordinated with the State Treasurer; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law authorizes a state agency to enter into a contract for the acceptance
- 2 of credit cards, debit cards or electronic transfers of money by the agency, with the
- 3 approval of the State Board of Finance. (NRS 353.1465) **Section 1** of this bill
- 4 requires state agencies to seek and obtain such approval unless it is impracticable
- 5 for the agency to enter into such a contract. A state agency may, in lieu of entering



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6 into such a contract on its own behalf, participate in a contract entered into by the
7 Director of the Department of Administration for the benefit of all state agencies.
8 **Section 1** also authorizes the Director to enter into such contracts for the benefit of
9 all state agencies, subject to the restrictions and procedures that currently apply to
10 individual contracts. Finally, **section 1** requires an agency that has not entered into
11 such a contract or is not participating in an agreement entered into by the Director
12 of the Department of Administration to report periodically to the Legislative
13 Commission and the Interim Finance Committee concerning the reasons for the
14 failure. **Section 3** of this bill requires that the administration of such contracts be
15 coordinated with the State Treasurer to ensure that the State Treasurer can track and
16 reconcile payments.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 353 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Except as otherwise provided in subsection 2, a state*
4 *agency shall seek and obtain the approval of the State Board of*
5 *Finance to enter into a contract for the acceptance of credit cards,*
6 *debit cards or electronic transfers of money pursuant to NRS*
7 *353.1465 unless it is impracticable for the agency to enter into*
8 *such a contract.*

9 *2. The Director of the Department of Administration may*
10 *enter into one or more contracts with issuers of credit cards or*
11 *debit cards or operators of systems that provide for the electronic*
12 *transfer of money to provide for the acceptance of credit cards,*
13 *debit cards or electronic transfers of money by any state agency*
14 *that chooses to participate in the contract. The Director must*
15 *obtain approval of the State Board of Finance in the manner*
16 *required pursuant to NRS 353.1465 for such a contract, and the*
17 *contract is subject to the requirements of that section. If a state*
18 *agency participates in such a contract, it is not required to seek*
19 *and obtain approval to enter into a contract pursuant to*
20 *subsection 1.*

21 *3. A state agency that has not entered into a contract*
22 *pursuant to NRS 353.1465 or is not participating in a contract*
23 *pursuant to subsection 2 shall report to the Legislative*
24 *Commission and the Interim Finance Committee on or before*
25 *July 1 of every even-numbered year concerning the reasons that*
26 *the agency has failed to enter into or participate in such a*
27 *contract, including any supporting financial information, and the*
28 *efforts the agency is taking to allow it to enter into or participate*
29 *in such a contract in the future.*



1 **Sec. 2.** NRS 353.146 is hereby amended to read as follows:
2 353.146 As used in NRS 353.146 to 353.148, inclusive, *and*
3 *section 1 of this act*, “state agency” means an agency, bureau,
4 board, commission, department, division or any other unit of the
5 Executive Department of the State Government.

6 **Sec. 3.** NRS 353.1465 is hereby amended to read as follows:
7 353.1465 1. Upon approval of the State Board of Finance, a
8 state agency may enter into contracts with issuers of credit cards or
9 debit cards or operators of systems that provide for the electronic
10 transfer of money to provide for the acceptance of credit cards, debit
11 cards or electronic transfers of money by the agency:

12 (a) For the payment of money owed to the agency for taxes,
13 interest, penalties or any other obligation; or

14 (b) In payment for goods or services.

15 2. Before a state agency may enter into a contract pursuant to
16 subsection 1, the agency must submit the proposed contract to the
17 State Treasurer for his or her review and transmittal to the State
18 Board of Finance. *The agency shall coordinate the administration*
19 *of the contract with the State Treasurer to ensure that the State*
20 *Treasurer is able to track and reconcile payment information*
21 *pursuant to the contract.*

22 3. Except as otherwise provided in subsection 4, if the issuer or
23 operator charges the state agency a fee for each use of a credit card
24 or debit card or for each electronic transfer of money, the state
25 agency may require the cardholder or the person requesting the
26 electronic transfer of money to pay a convenience fee when
27 appropriate and authorized. The total convenience fees charged by
28 the state agency in a fiscal year must not exceed the total amount of
29 fees charged to the state agency by the issuer or operator in that
30 fiscal year.

31 4. A state agency that is required to pay a fee charged by the
32 issuer or operator for the use of a credit card or debit card or for an
33 electronic transfer of money may, pursuant to NRS 353.148, file a
34 claim with the Director of the Department of Administration for
35 reimbursement of the fees paid to the issuer or operator during the
36 immediately preceding quarter.

37 5. The Director of the Department of Administration shall
38 adopt regulations providing for the submission of payments to state
39 agencies pursuant to contracts authorized by this section. The
40 regulations must not conflict with a regulation adopted pursuant to
41 NRS 360.092 or 360A.020.

42 6. As used in this section:

43 (a) “Cardholder” means the person or organization named on the
44 face of a credit card or debit card to whom or for whose benefit the
45 credit card or debit card is issued by an issuer.



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1 (b) “Convenience fee” means a fee paid by a cardholder or
2 person requesting the electronic transfer of money to a state agency
3 for the convenience of using the credit card or debit card or the
4 electronic transfer of money to make such payment.

5 (c) “Credit card” means any instrument or device, whether
6 known as a credit card or credit plate or by any other name, issued
7 with or without a fee by an issuer for the use of the cardholder in
8 obtaining money, property, goods, services or anything else of value
9 on credit.

10 (d) “Debit card” means any instrument or device, whether
11 known as a debit card or by any other name, issued with or without
12 a fee by an issuer for the use of the cardholder in depositing,
13 obtaining or transferring funds.

14 (e) “Electronic transfer of money” has the meaning ascribed to it
15 in NRS 463.01473.

16 (f) “Issuer” means a business organization, financial institution
17 or authorized agent of a business organization or financial institution
18 that issues a credit card or debit card.

19 **Sec. 4.** This act becomes effective on January 1, 2012.

