

ASSEMBLY BILL NO. 489—COMMITTEE ON WAYS AND MEANS

MARCH 25, 2013

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing the fees charged by state agencies for accepting payments by credit cards, debit cards and electronic transfers. (BDR 31-779)

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 an agency in the Executive Department of State Government to charge a convenience fee for the use of a credit card to make a payment to the agency under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires an agency in the Executive Department of State Government to enter into a contract for the acceptance of credit cards, debit cards or electronic transfers of money for payments to the agency, with the approval of the State Board of Finance, unless it is impracticable for the agency to enter into such a contract or the agency participates in a contract entered into by the Director of the Department of Administration for the benefit of all state agencies. (NRS 353.146-353.1466) If the state agency is charged a fee by the issuer of the credit card or debit card or the operator of the electronic transfer system for each use of such a credit card or debit card or for each electronic transfer, the state agency is authorized under existing law to charge the cardholder or requester of the electronic transfer a fee for the convenience of using the credit card or debit card or the electronic transfer to make the payment. However, the total convenience fees charged by the state agency in a fiscal year are limited to the total amount of fees that the state agency is charged by the issuer of the card or operator of the electronic transfer system in that fiscal year. (NRS 353.1465) Under existing law, a state agency is authorized to seek reimbursement quarterly from the Account for Expedited Services for the amount of any fees paid by the state agency to such an issuer or operator during the immediately preceding quarter, less any convenience fees collected by the state agency. (NRS 353.1465, 353.1475, 353.148)



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If a state agency is charged a fee by an issuer of a credit card for each use of such a credit card to make a payment to the state agency, this bill makes it mandatory for the state agency to charge the cardholder a convenience fee of \$2 if the transaction is for \$50 or more.

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

Section 1. NRS 353.1465 is hereby amended to read as follows:

353.1465 1. Upon approval of the State Board of Finance, a state agency may enter into contracts with issuers of credit cards or debit cards or operators of systems that provide for the electronic transfer of money to provide for the acceptance of credit cards, debit cards or electronic transfers of money by the agency:

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

(b) In payment for goods or services.

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

3. Except as otherwise provided in subsection 4, if the issuer or operator charges the state agency a fee for each use of a credit card or debit card or for each electronic transfer of money, the state agency may require the cardholder or the person requesting the electronic transfer of money to pay a convenience fee when appropriate and authorized.

4. If the issuer or operator charges the state agency a fee for each use of a credit card, the state agency shall require the cardholder to pay a convenience fee of \$2 if the transaction is for \$50 or more.

5. The total convenience fees charged by the state agency in a fiscal year must not exceed the total amount of fees charged to the state agency by the issuer or operator in that fiscal year.

~~4~~ 6. A state agency that is required to pay a fee charged by the issuer or operator for the use of a credit card or debit card or for an electronic transfer of money may, pursuant to NRS 353.148, file a claim with the Director of the Department of Administration for reimbursement of the fees paid to the issuer or operator during the immediately preceding quarter †



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~~5.1~~, *less any convenience fees collected by the state agency during that quarter.*

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

~~16.1~~ 8. As used in this section:

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

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

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

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

(e) "Electronic transfer of money" has the meaning ascribed to it in NRS 463.01473.

(f) "Issuer" means a business organization, financial institution or authorized agent of a business organization or financial institution that issues a credit card or debit card.

Sec. 2. This act becomes effective on January 1, 2014.

