

As Introduced

131st General Assembly

Regular Session

2015-2016

S. B. No. 105

Senator Tavares

Cosponsors: Senators Yuko, Seitz, Thomas, Williams

A BILL

To enact section 503.55 of the Revised Code to
authorize a township to accept payments by
financial transaction devices.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 503.55 of the Revised Code be
enacted to read as follows:

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Sec. 503.55. (A) As used in this section, "financial
transaction device" includes a credit card, debit card, charge
card, prepaid or stored value card, or automated clearinghouse
network credit, debit, or electronic funds transfer. "Electronic
funds transfer" includes point of purchase, telephone-initiated,
and internet-initiated applications and any other device or
method for making an electronic payment or transfer of funds.

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(B) A board of township trustees may adopt a resolution
authorizing the acceptance of payments by financial transaction
devices. The resolution shall specify all of the following:

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(1) The township officials and the township offices that
are authorized to accept payments by financial transaction
devices;

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<u>(2) The types of financial transaction devices that the</u>	19
<u>board authorizes as acceptable means for payment;</u>	20
<u>(3) The goods and services that may be paid for through</u>	21
<u>the use of these financial transaction devices;</u>	22
<u>(4) The amount, if any, authorized as a surcharge or</u>	23
<u>convenience fee for persons using these financial transaction</u>	24
<u>devices;</u>	25
<u>(5) The charge to be applied when a payment made by these</u>	26
<u>financial transaction devices is returned or dishonored for any</u>	27
<u>reason;</u>	28
<u>(6) Any necessary guidelines for the solicitation of</u>	29
<u>proposals from financial institutions, issuers, or processors;</u>	30
<u>and</u>	31
<u>(7) Any other specifications the board considers necessary</u>	32
<u>to provide for the reliable and efficient acceptance of payments</u>	33
<u>through financial transaction devices.</u>	34
<u>The board of township trustees shall not impose a</u>	35
<u>surcharge or convenience fee unless it is authorized or</u>	36
<u>otherwise permitted by the contract governing the use and</u>	37
<u>acceptance of the financial transaction device. If a surcharge</u>	38
<u>or convenience fee is imposed, each township official or</u>	39
<u>township office accepting payment by a financial transaction</u>	40
<u>device shall clearly post a notice in its office, and shall</u>	41
<u>notify each person making a payment by means of a financial</u>	42
<u>transaction device about the surcharge or convenience fee. The</u>	43
<u>notice shall include a statement that there is a surcharge or</u>	44
<u>convenience fee for using a financial transaction device; the</u>	45
<u>total amount of the surcharge or convenience fee, expressed in</u>	46
<u>dollars and cents for each transaction, or as a percentage of</u>	47

the total amount of the transaction, whichever is applicable; 48
and a clear statement that the surcharge or convenience fee is 49
nonrefundable. If a person elects to make a payment to the 50
township by a financial transaction device and a surcharge or 51
convenience fee is imposed, the surcharge or convenience fee is 52
not refundable. 53

A charge to be applied when a payment is returned or 54
dishonored for any reason may not exceed twenty dollars, or 55
payment of the amount necessary to reimburse the township for 56
banking charges, legal fees, or other expenses incurred by the 57
township in collecting the returned or dishonored payment. The 58
charge is in addition to any other civil or criminal remedies 59
provided by law. 60

(C) Prior to authorizing the acceptance of payments by 61
financial transaction devices, the township administrator shall 62
invite proposals from financial institutions, issuers of 63
financial transaction devices, or processors of financial 64
transaction devices. The township administrator shall advertise 65
the invitation to make proposals in a newspaper of general 66
circulation in the township once a week for two consecutive 67
weeks or as provided in section 7.16 of the Revised Code. The 68
notice shall state that the township invites proposals for the 69
acceptance of payments by financial transaction devices from 70
financial institutions and issuers and processors of financial 71
transaction devices; specify the information to be provided in a 72
proposal; specify the format in which the information is to be 73
presented in a proposal; and indicate the date, which shall be 74
not earlier than ten days after the second publication, by which 75
proposals must be submitted to the township administrator. The 76
township administrator shall review all the proposals submitted, 77
and make recommendations to the board. The board shall review 78

all proposals submitted, and consider the township 79
administrator's recommendations. The board then may contract 80
with any or all of the financial institutions or issuers or 81
processors of financial transaction devices that submitted 82
proposals. The board shall provide any financial institution, 83
issuer, or processor that submitted a proposal, but with which 84
the board does not enter into a contract, notice that its 85
proposal has been rejected. The notice shall state the reasons 86
for the rejection, indicate whose proposals were accepted, and 87
provide a copy of the terms and conditions of the successful 88
proposals. 89

(D) The township administrator shall assist township 90
offices in implementing the township's financial transaction 91
devices program. 92

(E) A person who makes a payment by a financial 93
transaction device to a township official or township office is 94
not relieved from liability for the underlying obligation until 95
final payment is made by the financial transaction device issuer 96
or guarantor of payment in the transaction. 97

(F) A township official or employee who accepts a 98
financial transaction device payment in accordance with this 99
section and any other applicable state or local laws or policies 100
is immune from personal liability for the final collection of 101
the payments. 102