



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

November 8, 2016

Ordinance 18398

Proposed No. 2016-0399.1

Sponsors Upthegrove

1 AN ORDINANCE authorizing certain county departments
2 and agencies to absorb transaction processing costs for
3 electronic payments; amending Ordinance 17293, Section
4 47, and K.C.C. 4A.10.245, Ordinance 17293, Section 107,
5 and K.C.C. 4A.10.585, Ordinance 13923, Section 4, as
6 amended, and K.C.C. 4A.601.010, Ordinance 13923,
7 Section 5, as amended, and K.C.C. 4A.601.030, adding a
8 new section to K.C.C. chapter 4A.601 and repealing
9 Ordinance 16861, Section 6, and K.C.C. 4A.601.100 and
10 Ordinance 17230, Section 1, and K.C.C. 4A.601.120.

11 PREAMBLE:

12 RCW 36.29.190 specifies that a payer desiring to pay by any means of
13 electronic communication shall bear the cost of processing the transaction,
14 unless the county legislative authority finds that it is in the best interests of
15 the county to not charge transaction processing costs for all payment
16 transactions made for nontax payments received by the county treasurer.
17 Under Chapter 5, Laws of Washington 2016, effective June 28, 2016, the
18 state legislature approved amendments to this law that limit the type of
19 costs that may be charged for processing electronic payments.

20 This ordinance is intended to specifically authorize designated county
21 departments or agencies to not charge transaction processing costs
22 associated with electronic payments because it is in the county's best
23 interest to do so.

24 The ordinance also effects the necessary changes to the King County Code
25 to be in alignment with the amendments to RCW 36.29.190 that took
26 effect June 28, 2016.

27 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

28 SECTION 1. Findings: The county council finds that it is in the best interest of
29 the county to not charge transaction processing costs for the electronic payments of the
30 departments and agencies listed in section 8 of this ordinance.

31 SECTION 2. Ordinance 17293, Section 47, and K.C.C. 4A.10.245 are each
32 hereby amended to read as follows:

33 "Electronic payments" means ~~((any financial transaction by which funds are~~
34 ~~transferred to the county through any type of electronic media. The electronic media~~
35 ~~include, but are not limited to, automated clearing houses, credit cards, debit cards, smart~~
36 ~~cards and wire transfers)) payments made using credit cards, charge cards, debit cards,~~
37 smart cards, stored value cards, federal wire, automatic clearing house system
38 transactions or other electronic communications.

39 SECTION 3. Ordinance 17293, Section 107, and K.C.C. 4A.10.585 are each
40 hereby amended to read as follows:

41 "Transaction ~~((fee))~~ processing cost" means ~~((a fee charged by a service provider~~
42 ~~for the execution of an electronic payment)) the cost of processing an electronic payment~~

43 as determined by the finance and business operations division and may not exceed the
44 additional direct costs incurred by the county to accept a specific form of electronic
45 payment utilized by the payer.

46 SECTION 4. Ordinance 13923, Section 4, as amended, and K.C.C. 4A.601.010
47 are each hereby amended to read as follows:

48 A. Requests to accept electronic payments must be initiated by the affected
49 department or agency. A department or agency is not required to accept electronic
50 payments for any service it provides.

51 B. A department or agency may accept electronic payments for a service it offers,
52 only if the person making the payment bears the transaction ~~((fee))~~ processing costs in
53 such an amount as determined by the finance and business operations division in
54 accordance with state law.

55 C. A department or agency may absorb the costs associated with electronic
56 payment transactions, only if the council has given its approval to do so and absorption of
57 the transaction ~~((fees))~~ processing costs does not conflict with state law, this chapter or
58 established county policy.

59 D. A department or agency may accept electronic payments for tax payments,
60 including interest, penalties and other amounts associated with taxes, only if the person
61 making the payment bears the transaction ~~((fee))~~ processing costs in such an amount as
62 determined by the finance and business operations division in accordance with state law.

63 E. A department or agency may accept electronic payments for specified nontax
64 payments, including but not limited to code enforcement fines and penalties, special
65 assessments, school and road mitigation payments, and fines, restitution and interest

66 imposed by courts, only if the person making the payment bears the transaction ((fee))
67 processing costs in such an amount as determined by the finance and business operations
68 division in accordance with state law.

69 F. If a department or agency collects payments to be shared with another state or
70 government agency, the department or agency may absorb the cost of the transaction
71 fees, only if the benefits to the county are greater than the transaction ((fee)) processing
72 costs, as determined by the head of the department or agency, and if approved by the
73 council. A department or agency that collects those types of payments may enter into
74 negotiation with other state or governmental agencies regarding the sharing of transaction
75 ((fees)) processing costs, unless the share of payment collected to be paid to the other
76 agency is specified by state law.

77 G. The finance and business operations division shall develop and administer a
78 comprehensive countywide request for proposal for credit card services. The finance and
79 business operations division shall award and administer agreements for the services. A
80 department or agency may not enter into such an agreement without the written consent
81 of the manager of the finance and business operations division.

82 H. Electronic payments may be accepted in person, over the phone, by fax, by
83 mail or through the Internet, as determined appropriate by the head of each department
84 and agency and as is consistent with this chapter and any agreement for electronic
85 payment services.

86 I. ~~((Convenience fees may be added to electronic payments processed through an
87 interactive voice response system or through the Internet. The convenience fee may be
88 calculated to cover any transaction costs borne by the department or agency and may~~

89 ~~include a fee for expedited transaction processing. A department or agency may not~~
90 ~~impose a convenience fee unless the manager of the finance and business operations~~
91 ~~division has approved the fee.~~

92 J.—A)) Only if the council has made a finding that it is in the best interest of the
93 county to do so, a department or agency accepting electronic payments shall include
94 transaction ((fees)) processing costs in its ((annual)) biennial budget ((unless)).
95 Otherwise, the customer must pay ((s)) the transaction ((fees)) processing costs.

96 SECTION 5. Ordinance 13923, Section 5, as amended, and K.C.C. 4A.601.030
97 are each hereby amended to read as follows:

98 A. A department or agency may initiate the acceptance of electronic payments
99 without council approval, only if the person making the payment bears the transaction
100 ((fee)) processing costs in such an amount as determined by the finance and business
101 operations division in accordance with state law.

102 B. A department or agency wishing to absorb the costs associated with electronic
103 payment transactions shall receive council approval to do so. The process for receiving
104 council approval is as follows:

105 1. The department or agency must submit to the budget office and to the finance
106 and business operations division a formal request to initiate acceptance of electronic
107 payments along with a business analysis that, at a minimum, describes any combination
108 of the service or services and product or products for which the electronic payment option
109 is to be offered, assesses the benefits of absorbing the transaction costs associated with
110 these payments, projects the annual fiscal impact of absorbing transaction costs over a
111 three-year horizon, documents legal or contractual obligations that would be affected by

112 acceptance of electronic payments and adequately cites or includes as attachments any
113 documentation supporting its business analysis. The council encourages the executive to
114 develop an electronic payment business analysis template for use by interested agencies;
115 and

116 2. If the budget office agrees that absorbing the transaction costs serves the best
117 interests of the county, and if the finance and business operations division confirms that
118 the proposal meets its electronic payment processing protocol, the executive may transmit
119 an appropriation request to the council. The transmittal package must include the
120 department or agency business analysis on which the original request is based and an
121 ordinance amending section 8 of this ordinance and making a finding that it is in the best
122 interest of the county to allow the department or agency to absorb the transaction
123 processing costs. The council encourages submittal of the electronic payment
124 appropriation requests as part of the ((~~annual~~)) biennial budget.

125 SECTION 6. Ordinance 16861, Section 6, and K.C.C. 4A.601.100 are each
126 hereby repealed.

127 SECTION 7. Ordinance 17230, Section 1, and K.C.C. 4A.601.120 are each
128 hereby repealed.

129 NEW SECTION. SECTION 8. There is hereby added to K.C.C. chapter 4A.601
130 a new section to read as follows:

131 Subject to appropriation by the county council, the following county departments
132 and agencies are authorized to absorb the operational and business costs of accepting
133 electron payments, including transaction processing costs, for the specified fees, fines,
134 charges, fares or other payments listed:

135 A. The department of executive services, records and licensing services division,
136 for payments for animal shelter, care and control and pet licensing purposes, including all
137 fees, donations and penalties in K.C.C. 11.04.035;

138 B. District court for court-related fees, fines and other charges;

139 C. The department of natural resources and parks, parks and recreation division,
140 for park services and facilities usage provided to the public;

141 D. The department of natural resources and parks, wastewater treatment division,
142 for sewage capacity charges;

143 E. The department of natural resources and parks, solid waste division, for
144 municipal solid waste fees;

145 F. The department of public health for public health environmental permits and
146 community health clinic fees;

147 G. The department of permitting and environmental review for permitting and
148 environmental review permit fees;

149 H. The department of information technology for geographic information system
150 course fees; and

151 I. The department of transportation, transit division, and the water taxi division,
152 for public transportation fares.
153

Ordinance 18398 was introduced on 9/6/2016 and passed by the Metropolitan King
County Council on 11/7/2016, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

ATTEST:

Melani Pedroza, Acting Clerk of the Council

APPROVED this 17th day of November 2016.

Dow Constantine, County Executive

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KING COUNTY COUNCIL CLERK

Attachments: None