



Legislation Details (With Text)

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Enactment date: 11/17/2016 **Enactment #:** 18398

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

Sponsors: Dave Upthegrove

Indexes: Budget, Finance

Code sections: 4A.10.245 - *, 4A.10.585 - *, 4A.601 - *, 4A.601.010 - *, 4A.601.030 - *, 4A.601.100 - *, 4A.601.120 - *

Attachments: 1. 18398.pdf, 2. 2016-0399 legislative review form.pdf, 3. 2016-0399 fiscal note, 4. 2016-0399 transmittal letter, 5. 2016-0399_SR_E-Payment Fees-acl.pdf, 6. 2016-0399_ATT2_King County Acceptance of Electronic Payments (2016-0146 REPORT).docx, 7. 2016-0399_ATT3_Payment Mgt Plan.pdf

Date	Ver.	Action By	Action	Result
11/7/2016	1	Metropolitan King County Council	Hearing Held	
11/7/2016	1	Metropolitan King County Council	Passed	Pass
11/1/2016	1	Budget and Fiscal Management Committee	Passed Out of Committee Without a Recommendation	Pass
10/26/2016	1	Budget and Fiscal Management Committee	Deferred	
10/25/2016	1	Budget and Fiscal Management Committee	Deferred	
9/6/2016	1	Metropolitan King County Council	Introduced and Referred	

Clerk 08/05/2016

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

K.C.C. 4A.601.100 and Ordinance 17230, Section 1, and K.C.C. 4A.601.120.

PREAMBLE:

RCW 36.29.190 specifies that a payer desiring to pay by any means of electronic communication shall bear the cost of processing the transaction, unless the county legislative authority finds that it is in the best interests of the county to not charge transaction processing costs for all payment transactions made for nontax payments received by the county treasurer.

Under Chapter 5, Laws of Washington 2016, effective June 28, 2016, the state legislature approved amendments to this law that limit the type of costs that may be charged for processing electronic payments.

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

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

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

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

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

other electronic communications.

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

"Transaction ~~((fee))~~ processing cost" means ~~((a fee charged by a service provider for the execution of an electronic payment))~~ the cost of processing an electronic payment as determined by the finance and business operations division and may not exceed the additional direct costs incurred by the county to accept a specific form of electronic payment utilized by the payer.

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

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

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

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

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

E. A department or agency may accept electronic payments for specified nontax payments, including but not limited to code enforcement fines and penalties, special assessments, school and road mitigation payments, and fines, restitution and interest imposed by courts, only if the person making the payment bears the

transaction ((fee)) processing costs in such an amount as determined by the finance and business operations division in accordance with state law.

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

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

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

I. ~~((Convenience fees may be added to electronic payments processed through an interactive voice response system or through the Internet. The convenience fee may be calculated to cover any transaction costs borne by the department or agency and may include a fee for expedited transaction processing. A department or agency may not impose a convenience fee unless the manager of the finance and business operations division has approved the fee.~~

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

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

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

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

1. The department or agency must submit to the budget office and to the finance and business operations division a formal request to initiate acceptance of electronic payments along with a business analysis that, at a minimum, describes any combination of the service or services and product or products for which the electronic payment option is to be offered, assesses the benefits of absorbing the transaction costs associated with these payments, projects the annual fiscal impact of absorbing transaction costs over a three-year horizon, documents legal or contractual obligations that would be affected by acceptance of electronic payments and adequately cites or includes as attachments any documentation supporting its business analysis. The council encourages the executive to develop an electronic payment business analysis template for use by interested agencies; and

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

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

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

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

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

- A. The department of executive services, records and licensing services division, for payments for animal shelter, care and control and pet licensing purposes, including all fees, donations and penalties in K.C.C. 11.04.035;
- B. District court for court-related fees, fines and other charges;
- C. The department of natural resources and parks, parks and recreation division, for park services and facilities usage provided to the public;
- D. The department of natural resources and parks, wastewater treatment division, for sewage capacity charges;
- E. The department of natural resources and parks, solid waste division, for municipal solid waste fees;
- F. The department of public health for public health environmental permits and community health clinic fees;
- G. The department of permitting and environmental review for permitting and environmental review permit fees;
- H. The department of information technology for geographic information system course fees; and
- I. The department of transportation, transit division, and the water taxi division, for public transportation fares.