



Butte County

Electronic Payment Policy
Approval Date: 1/26/16

Effective Date: 1/26/16
Last Revision Date:

Version 1.0

1. Purpose

Provides for an Electronic Payment Acceptance Policy with respect to transaction and other costs associated with the acceptance of credit/debit cards and e-checks (Electronic Payments) by County departments.

2. Policy Scope

This policy applies to all County Departments.

3. Policy

A. *Compliance with State law and guidance*

- a. The County is authorized to accept credit card, debit card, and electronic funds transfers in payment of taxes, fees, and services (Government Code §6159).
- b. The County shall comply with the State Payment Card Act (Government Code §6160-6166) if it becomes necessary to determine the cost-effectiveness of electronic payment acceptance.

B. *Transaction Fees*

- a. County departments, in accordance with Government Code Section 6160, may consider typical merchant fees charged for electronic payments as a cost of doing business.
- b. County departments may consider electronic payment and maintenance costs when calculating fees charged to all customers.
- c. County departments may, with the approval of the Chief Administrative Officer, absorb electronic payment and maintenance costs in their respective budgets when there is a reasonable business case to do so.

C. *Responsibilities*

- a. If requesting approval to absorb electronic payment fees, Department Heads are to make sure there is a reasonable business case for such. Departments may consider electronic payment costs in calculations when proposing new or updated user fees.

4. Definitions

Electronic Payment: Use of any credit card, debit card, or electronic transfer to make payment to the County for fines, fees, services, or taxes.

5. Procedure

The Chief Administrative Officer, in cooperation with the Auditor-Controller, and Treasurer-Tax Collector, shall develop and periodically review any procedures

necessary for implementing this policy and processing electronic transfers including dollar amount limits on credit card payments.

6. Background

The County currently accepts electronic payments processed through a third party vendor, who adds an additional "convenience fee" to the final transaction. This convenience fee is the result of public agency exclusion from the Song-Beverly Credit Card Act of 1971 which prohibits retailers from charging such a fee. These fees have allowed the county to offer the convenience of electronic payments, but have been viewed as a significant barrier to the widespread acceptance and utilization of online services provided by the County.