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Legislative Document

No. 800

S.P. 87

In Senate, March 5, 2021

An Act To Amend Credit and Debit Card Surcharges Imposed by Governmental Entities

Submitted by the Secretary of State pursuant to Joint Rule 204.
Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator CHIPMAN of Cumberland.
Cosponsored by Senators: BALDACCI of Penobscot, DIAMOND of Cumberland,
Representatives: MARTIN of Sinclair, MATLACK of St. George.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §1509-A**, as amended by PL 1999, c. 762, §1 and affected by §5,
3 is further amended to read:

4 **§1509-A. Payment by credit card**

5 State departments and agencies shall implement, with the approval of the State
6 Controller and the State Treasurer, procedures for accepting payment for goods, services,
7 ~~taxes, fines, forfeitures~~ charges or any other fees by ~~major credit cards~~ card, debit card or
8 other electronic means. Unless otherwise provided for in law ~~as of the effective date of~~
9 ~~this section, any administrative expenses or credit card fees incurred in connection with~~
10 ~~this method of receiving funds must be absorbed within the existing budget of the~~
11 ~~department or agency as authorized by the Legislature~~ a state department or agency may
12 impose a surcharge for payments made by credit card or debit card for taxes, fines, charges,
13 utility fees, regulatory fees, registration fees, license or permit fees or the provision of a
14 specific service or good provided by that state department or agency.

15 **Sec. 2. 9-A MRSA §8-509, sub-§2**, as enacted by PL 2011, c. 427, Pt. A, §15, is
16 amended to read:

17 **2. Surcharge permitted for governmental entity.** Notwithstanding subsection 1, a
18 governmental entity may impose a surcharge for payments made with a credit card or debit
19 card for taxes, fines, charges, utility fees, regulatory fees, registration fees, license or permit
20 fees or the provision of a specific service or good provided by that governmental entity if
21 the surcharge:

22 A. Is disclosed clearly to the consumer prior to payment; and

23 B. Does not exceed the costs associated with providing the credit card or debit card
24 service that are directly incurred by the governmental entity or assessed by an
25 authorized 3rd-party payment service provider for a credit card or debit card
26 transaction. If there is not a cost assessed by an authorized 3rd-party payment service
27 provider for a debit card transaction, the governmental entity may not impose a
28 surcharge associated with a debit card transaction.

29 A governmental entity shall disclose to the consumer that the surcharge may be avoided if
30 the consumer makes payments by cash, check or other means not a credit card or debit card.
31 A governmental entity is not subject to any liability to the issuer of a credit card or an
32 authorized 3rd-party payment service provider for nonpayment of credit card charges by
33 the consumer. As used in this subsection, "governmental entity" includes, but is not limited
34 to, a state department or agency, a county established or governed by Title 30-A, Part 1, a
35 municipality as defined in Title 30-A, section 2001, subsection 8, a quasi-municipal
36 corporation as defined in Title 30-A, section 2604, subsection 3, the Judicial Department
37 as described in Title 4, the University of Maine System, the Maine Community College
38 System and the Maine Maritime Academy.

39 **SUMMARY**

40 This bill amends the administrative procedures and services laws pertaining to state
41 finances to explicitly allow a state department or agency to impose a surcharge for
42 payments made by credit card or debit card for taxes, fines, charges, utility fees, regulatory

1 fees, registration fees, license or permit fees or the provision of a specific service or good
2 provided by that state department or agency. It also amends the Maine Consumer Credit
3 Code – Truth-in-Lending to allow a governmental entity to impose a surcharge for
4 payments made by credit card or debit card for registration fees and goods and includes
5 under the definition of "governmental entity" a state department or agency.