



**Senate Fiscal Agency**  
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BILL ANALYSIS



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House Bill 4818 (Substitute H-3 as reported without amendment)  
Sponsor: Representative Lingg Brewer  
House Committee: Local Government  
Senate Committee: Local, Urban and State Affairs

### **CONTENT**

The bill would create a new act to allow local units of government to accept payment for a tax, assessment, or fee via a "financial transaction device"; that is, a credit card, an electronic funds transfer card, or a debit card.

Under the bill, a local unit could not accept a payment by financial transaction device if prohibited by law or charter, and could not accept a payment by financial transaction device more than six months after the effective date of the bill unless it complied with the provisions of the bill. Before a local unit accepted a payment by financial transaction device for a tax, assessment, or fee, the governing body of the local unit would have to adopt a resolution authorizing the acceptance of payments by financial transaction devices. The resolution would have to specify any taxes, assessments, or fees for which payments by financial transaction devices would not be accepted.

Despite a resolution adopted under the bill, if an elected official's office had direct responsibility to collect a tax, assessment, or fee and the elected official were not a voting member of the governing body of the local unit, the elected official could decide not to accept payments by financial transaction devices for a particular tax, assessment, or fee. Before implementing such a determination, the elected official would have to notify the governing body of the local unit in writing of the particular tax, assessment, or fee for which payments by financial transaction devices would not be accepted. The bill would not affect the authority of the courts to make determinations concerning the acceptance of financial transaction devices for court costs and fees.

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

Local units that accepted credit card payments could be charged fees by the credit card issuers. Additionally, credit card holders could pay local units earlier, thereby avoiding late fees. The cost and lost revenue to local units would depend on the amount charged by credit card issuers, which fees and taxes local units accepted credit card payments for, and the degree to which payments to local units were paid for with credit cards.

This bill would have no State fiscal impact.

Date Completed: 12-1-95

Fiscal Analyst: R. Ross