

Act No. 280
Public Acts of 1995
Approved by the Governor
January 7, 1996
Filed with the Secretary of State
January 8, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Reps. Brewer, Griffin, Cherry, LaForge, Brater and Hanley

ENROLLED HOUSE BILL No. 4818

AN ACT to authorize local units of government to accept financial transaction device payments.

The People of the State of Michigan enact:

Sec. 1. As used in this act:

(a) "Credit card" means a card or device issued by a person licensed under Act No. 379 of the Public Acts of 1984, being sections 493.101 to 493.114 of the Michigan Compiled Laws, or under the consumer financial services act, Act No. 161 of the Public Acts of 1988, being sections 487.2051 to 487.2072 of the Michigan Compiled Laws, or issued by a depository financial institution as defined in section 1a of the mortgage brokers, lenders, and servicers licensing act, Act No. 173 of the Public Acts of 1987, being section 445.1651a of the Michigan Compiled Laws, under a credit card arrangement.

(b) "Credit card arrangement" means an unsecured extension of credit for purchasing goods or services from the credit card issuer or any other person that is made to the holder of a credit card and that is accessed with a credit card.

(c) "Financial transaction device" means any of the following:

(i) An electronic funds transfer card.

(ii) A credit card.

(iii) A debit card.

(d) "Governing body" means any of the following:

(i) The council, commission, or other entity vested with the legislative power of a village.

(ii) The council or other entity vested with the legislative power of a city.

(iii) The township board of a township.

(iv) The county board of commissioners of a county.

(v) The board of county road commissioners of a county.

(vi) The board of education of a local school district.

(vii) The board of education of an intermediate school district.

(viii) The board of trustees of a community college district.

(ix) The official body to which is granted general governing powers over an authority or organization of government established by law which may issue obligations pursuant to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws, and which may expend funds of the authority or organization.

(e) "Local school district" means a school district organized under the school code of 1976, Act No. 451 of the Public Acts of 1976, being sections 380.1 to 380.1852 of the Michigan Compiled Laws, or a district governed by a special or local act.

(f) "Local unit" means any of the following:

(i) A village.

(ii) A city.

(iii) A township.

(iv) A county.

(v) A county road commission.

(vi) A local school district.

(vii) An intermediate school district.

(viii) A community college district.

(ix) An authority or organization of government established by law which may issue obligations pursuant to Act No. 202 of the Public Acts of 1943, and which may expend funds of the authority or organization.

Sec. 2. A local unit shall not accept a payment by financial transaction device if prohibited by law or charter. A local unit shall not accept a payment by financial transaction device more than 6 months after the effective date of this act unless it complies with section 3.

Sec. 3. (1) Before a local unit accepts a payment by financial transaction device for a tax, assessment, or fee, the governing body of the local unit shall adopt a resolution authorizing the acceptance of payments by financial transaction devices. The resolution shall designate the treasurer of the local unit as responsible for determining the types of financial transaction devices that may be accepted. The resolution may designate an additional officer or employee as jointly responsible with the treasurer for determining the financial transaction devices that may be accepted. However, if the treasurer is not an elected treasurer, the resolution may provide that the determination of the types of financial transaction devices shall be subsequently approved by resolution of the governing body. The determination of the financial transaction devices that may be accepted shall comply with any resolution for the deposit of public money under section 2 of Act No. 40 of the Public Acts of the First Extra Session of 1932, being section 129.12 of the Michigan Compiled Laws, applicable to that local unit. The resolution under this subsection shall specify any taxes, assessments, or fees for which payments by financial transaction devices will not be accepted.

(2) Notwithstanding the resolution adopted under subsection (1), if an elected official's office has direct responsibility to collect a tax, assessment, or fee and the elected official is not a voting member of the governing body of the local unit, the elected official may determine not to accept payments by financial transaction devices for that particular tax, assessment, or fee. Before implementing such a determination, the elected official shall notify the governing body of the local unit in writing of the particular tax, assessment, or fee for which payments by financial transaction devices will not be accepted.

Sec. 4. This act does not affect the authority of the courts to make determinations concerning the acceptance of financial transaction devices for court costs and fees.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved _____

Governor.