



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4537

Introduced 1/30/2026, by Rep. Barbara Hernandez

SYNOPSIS AS INTRODUCED:

50 ILCS 345/20

Amends the Local Governmental Acceptance of Credit Cards Act. Provides that the governing body of a governmental entity accepting payment by credit card may enter into agreements with third-party software providers for the purpose of ensuring that the governmental entity receives the correct remittance for payment. Provides that, if a governmental entity enters into an agreement with one or more financial institutions or other service providers to facilitate the acceptance and processing of credit card payments, then the agreement may not restrict or prevent the governmental entity from using the payment processing system outlined in the State Treasurer Act or any other payment processing system that the governmental entity has procured. Effective immediately.

LRB104 18570 RTM 32013 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Local Governmental Acceptance of Credit
5 Cards Act is amended by changing Section 20 as follows:

6 (50 ILCS 345/20)

7 Sec. 20. Election by local governmental entities to accept
8 credit cards.

9 (a) The decision whether to accept credit card payments
10 for any particular type of obligation shall be made by the
11 governing body of the local governmental entity that has
12 general discretionary authority over the manner of acceptance
13 of payments. The governing body may adopt reasonable rules
14 governing the manner of acceptance of payments by credit card.
15 Except as provided in subsection (b) of Section 20-25 of the
16 Property Tax Code, no decision to accept credit card payments
17 under this Act shall be made until the governing body has
18 determined, following a public hearing held not sooner than 10
19 nor later than 30 days following public notice of the hearing,
20 that the acceptance of credit card payments for the types of
21 authorized obligations specified in the public notice is in
22 the best interests of the citizens and governmental
23 administration of the local governmental entity or community

1 college and of the students and taxpayers thereof.

2 (b) The governing body of the entity accepting payment by
3 credit card may enter into agreements with one or more
4 financial institutions or other service providers to
5 facilitate the acceptance and processing of credit card
6 payments. Such agreements shall identify the specific services
7 to be provided, an itemized list of the fees charged, and the
8 means by which each such fee shall be paid. Such agreements may
9 include a discount fee to cover the costs of interchange,
10 assessments and authorizations, a per item processing fee for
11 the service provider, and any other fee, including a payment
12 of a surcharge or convenience fee, that may be applicable to
13 specific circumstances. Any agreement for acceptance of
14 payments by credit cards may be canceled by the governmental
15 entity upon giving reasonable notice of intent to cancel. The
16 governing body of the entity accepting payment by credit card
17 may also enter into agreements with third-party software
18 providers for the purpose of ensuring that the entity receives
19 the correct remittance for payment. An agreement entered into
20 under this Section may not restrict or prevent the
21 governmental entity from using the payment processing system
22 outlined in the State Treasurer Act or any other payment
23 processing system that the governmental entity has procured.

24 (c) An entity accepting payments by credit card may pay
25 amounts due a financial institution or other service provider
26 by (i) paying the financial institution or other service

1 provider upon presentation of an invoice or (ii) allowing the
2 financial institution or other service provider to withhold
3 the amount of the fees from the credit card payment. A discount
4 or processing fee may be authorized whenever the governing
5 body of the entity determines that any reduction of revenue
6 resulting from the discount or processing fee will be in the
7 best interest of the entity. Items that may be considered in
8 making a determination to authorize the payment of fees or the
9 acceptance of a discount include, but are not limited to,
10 improved governmental cash flows, reduction of governmental
11 overhead, improved governmental financial security, a
12 combination of these items, and the benefit of increased
13 public convenience. No payment to or withheld by a financial
14 institution or other service provider may exceed the amounts
15 authorized under subsection (b) of Section 25.

16 (d) Unless specifically prohibited by an ordinance or rule
17 adopted by the governing body of the local governmental
18 entity, a person may pay multiple tax bills in a single
19 transaction.

20 (Source: P.A. 96-1248, eff. 7-23-10.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.