

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. No
16 agreement or contract with a local governmental entity may
17 prohibit or discriminate against the use of the State
18 Treasurer's E-Pay program under the State Treasurer Act or any
19 other payment processing system that the local governmental
20 entity has procured. Nothing in this subsection prevents a
21 local governmental entity from entering into a contract with a
22 financial institution that is in compliance with federal and
23 State laws prohibiting the tying of financial services by such
24 financial institution.

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

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

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

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

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