

SENATE BILL No. 55

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-27.

Synopsis: Electronic payments to governmental bodies. Amends the definition of "electronic payment" for purposes of the statute governing electronic payments to a governmental body (defined as the state or a state agency) to include a payment made by means of any of the following: (1) Interactive voice response. (2) A digital wallet. (3) A digital currency. Provides that after June 30, 2024, a governmental body may not enter into or renew a contract: (1) that is made with a provider or vendor of payment processing services; and (2) the terms of which provide that any: (A) vendor transaction charge; (B) discount fee; or (C) other service charge or fee; assessed in connection with the contract is payable by the person who makes an electronic payment.

Effective: July 1, 2024.

Qaddoura

January 8, 2024, read first time and referred to Committee on Appropriations.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

SENATE BILL No. 55



A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-27-2-3 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2024]: Sec. 3. "Electronic payment" means a
3 payment by means of **any of the following**:
4 (1) A credit card.
5 (2) A debit card.
6 (3) A charge card.
7 (4) A stored value card.
8 (5) A bank card.
9 (6) An electronic check. ~~or~~
10 (7) An electronic funds transfer, including but not limited to:
11 (A) Fed wire; and
12 (B) Automated Clearing House.
13 **(8) Interactive voice response.**
14 **(9) A digital wallet.**
15 **(10) A digital currency.**
16 SECTION 2. IC 5-27-3-3 IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2024]: Sec. 3. (a) **Except as provided in**



- 1 **subsection (c)**, a governmental body may:
- 2 (1) if the governmental body obtains the consent of each
- 3 governmental body that is directly affected by the transaction,
- 4 recognize the net amount remitted by the provider company as
- 5 payment in full of an amount due the governmental entity for a
- 6 service, a tax, a license, a permit, a fee, information, or any other
- 7 amount due the governmental body that was paid by an electronic
- 8 payment; or
- 9 (2) collect a sum for the vendor transaction charge, discount fee,
- 10 or any other charge from the person who makes an electronic
- 11 payment.
- 12 A fee under subdivision (2) may be collected as an enhanced service
- 13 fee by a governmental body. The fee is a permitted additional charge
- 14 under IC 24-4.5-3-202.
- 15 (b) A governmental body may pay a service charge or fee in
- 16 connection with its agreement with the provider company.
- 17 **(c) After June 30, 2024, a governmental body may not enter into**
- 18 **or renew a contract:**
- 19 **(1) that is made with a provider company or any other vendor**
- 20 **of payment processing services; and**
- 21 **(2) the terms of which provide that any:**
- 22 **(A) vendor transaction charge;**
- 23 **(B) discount fee; or**
- 24 **(C) other service charge or fee;**
- 25 **assessed in connection with the contract is payable by the**
- 26 **person who makes an electronic payment, as described in**
- 27 **subsection (a)(2).**
- 28 **(d) Subsection (c) does not:**
- 29 **(1) affect the validity of a contract that:**
- 30 **(A) is entered into by a governmental body and:**
- 31 **(i) a provider company; or**
- 32 **(ii) any other vendor of payment processing services;**
- 33 **before July 1, 2024; and**
- 34 **(B) provides that any:**
- 35 **(i) vendor transaction charge;**
- 36 **(ii) discount fee; or**
- 37 **(iii) other service charge or fee;**
- 38 **assessed in connection with the contract is payable by the**
- 39 **person who makes an electronic payment, as described in**
- 40 **subsection (a)(2); or**
- 41 **(2) prohibit the collection of any:**
- 42 **(A) vendor transaction charge;**



1 **(B) discount fee; or**
2 **(C) other service charge or fee;**
3 **assessed in connection with a contract described in**
4 **subdivision (1), from a person making an electronic payment**
5 **for an amount owed to the governmental body for any service,**
6 **tax, license, permit, fee, information, or other amount owed to**
7 **the governmental body.**

