

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

103



FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE:
September 25, 2012

SUBJECT: Proposed amendment to County Ordinance No. 774.1 relating to the recovery of costs incurred by the Office of the Treasurer-Tax Collector in providing credit card payment services, and allowing the use of any major credit and debit cards accepted by our credit card processor.

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Introduce proposed Ordinance No. 774.2 amending Ordinance 774.1, relating to the imposition of convenience fees for credit card payment of property taxes.
- 2) Set the proposed ordinance amendment for public hearing and adoption.

BACKGROUND: The proposed ordinance adjusts and updates convenience fees associated with the collection and processing of credit and debit card property tax payments. Fees for this service were established in 1997, and, in 1998 amended to two percent (2%) or less.

Don Kent, Treasurer-Tax Collector

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012-2013

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Karen L. Johnson

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL

BY:
DALE A. GARDNER DATE: 9/17/12

Departmental Concurrence

Consent Policy
 Consent Policy

Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.55 – 9/1/1998

District: All

Agenda Number:

3.55

BACKGROUND continued:

For the fiscal year 2011-12, the Treasurer-Tax Collector collected \$1,313,036 in fees and paid \$1,424,164 in banking fees associated with the acceptance of credit card payment. The current convenience fee of 2% was insufficient to cover the banking fees and annual discount rate increase imposed by the credit card companies.

Ordinance 774.2 establishes the convenience fee to a maximum of two and a half percent (2.5%) or less of the tax amount, a minimum of \$2.50 for payments \$105.00 and below, and a minimum of \$3.95 per payment for debit cards.

California Revenue and Taxation Code Section 2511.1(d) provides that the County may impose a fee for the use of a credit card sufficient in amount to provide for the recovery of fees or discounts payed by the County and all other costs incurred by the county in providing for payment by credit.

There is no financial impact to the County. All convenience fees are paid by the credit card user, collected by the County, and passed through to the credit card processor. Thus, no fees are retained by the County, and the County as well as other taxpayers are not subsidizing the use of credit and/or debit card. The end user is paying the convenience fee associated with their transaction.

1 maximum of two and one-half percent of the charged tax amount with a minimum fee of \$2.50 for
2 payments of \$105.00 and less and a minimum fee of \$3.95 per payment for debit cards.

3 Section 5. SEVERABILITY. If any provision, clause, sentence or paragraph
4 of this ordinance or the application thereof to any person or circumstances shall be held invalid,
5 such invalidity shall not affect the other provisions of this ordinance which can be given effect
6 without the invalid provision or application, and to this end, the provisions of this ordinance are
7 hereby declared to be severable.

8 Section 6. EFFECTIVE DATE. This ordinance shall take effect thirty (30)
9 days after its adoption.”
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11 Section 2. This ordinance shall take effect thirty (30) days after its adoption.

12 BOARD OF SUPERVISORS OF THE COUNTY
13 OF RIVERSIDE, STATE OF CALIFORNIA

14 By: _____
15 Chairman

16 ATTEST:

17 CLERK OF THE BOARD:

18 By: _____
19 Deputy

20 (SEAL)
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