

Ordinance No. 119283

Council Bill No. 112415

The City of Seattle
Council Bill/Ordinance

AN ORDINANCE relating to the payment of fees, billings, and other monies due the City; authorizing the Executive Services Director to set, charge, and collect a convenience fee on remote payment transactions when the customer pays by credit or debit card using any method of payment available for electronic commerce; and adding a new Chapter to Title 5 of the Seattle Municipal Code.

CF No. _____

12-2-98 Pas

12-7-98 Fall

Date Introduced: <u>OCT 12 1998</u>	
Date 1st Referred: <u>OCT 12 1998</u>	To: (committee) <u>Finance & Budget Committee</u>
Date Re - Referred:	To: (committee)
Date Re - Referred:	To: (committee)
Date of Final Passage: <u>12-7-98</u>	Full Council Vote: <u>9-0</u>
Date Presented to Mayor: <u>12-7-98</u>	Date Approved: <u>DEC 10 1998</u>
Date Returned to City Clerk: <u>DEC 14 1998</u>	Date Published: <u>3P4</u> T.O. <input checked="" type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetued by Mayor:	Date Veto Published:
Date Passed Over Veto:	Veto Sustained:

This file is complete and ready

San Department

Law Dept. Review

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The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by:

CHOE

Councilmember

Committee Action:

12-2-98 Pass

2-7-98 Full Council: Passed 9-0

This file is complete and ready for presentation to Full Council. Committee:

Martin Anderson

Law Department

Law Dept. Review

OMP
Review

(Signature)
City Clerk
Review

(Signature)
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ORDINANCE 119283

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3 AN ORDINANCE relating to the payment of fees, billings, and other monies due the City; authorizing
4 the Executive Services Director to set, charge, and collect a convenience fee on remote payment
5 transactions when the customer pays by credit or debit card using any method of payment
6 available for electronic commerce; and adding a new Chapter to Title 5 of the Seattle Municipal
Code.

7 WHEREAS, Ordinances 116799, 117017, and 117375 authorize the City of Seattle to accept payment of
8 fees and fines; and

9 WHEREAS, the City provides its customers the option of making payment through electronic
10 commerce-style methods of payment including, but not limited to, payment via credit or debit
11 card over the Internet, and payment via Interactive Voice Response ("IVR") technology which is
available to the customer on a twenty-four hours per day, seven days per week basis, without the
need for a customer service representative; and

12 WHEREAS, the City has incurred, and will continue to incur, the costs of developing, establishing,
13 maintaining, and modifying these electronic commerce-style methods of payment, and intends
14 for such costs to be borne in fair shares by those customers who choose to take advantage of the
convenience of making payments via these methods of payment; and

15 WHEREAS, the City's Executive Services Department has been directed to establish appropriate
16 business practices concerning the acceptance of credit card payments, and to develop and
17 administer the technology that will allow the City to accept all methods of payment available for
18 electronic commerce on behalf of other City Departments; NOW, THEREFORE,

19 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

20 Section 1. Title 5 of the Seattle Municipal Code is amended by adding a new Chapter, 5.22, as
21 follows:

22 **Chapter 5.22**
23 **Convenience Fee for Electronic Payments**
24 **via Electronic Commerce Technology**

Sections:
5.22.010 **Fee Authorized**
5.22.020 **Amount of Fee**

1 **5.22.010. Fee Authorized**

2 The Executive Services Director or the Director's Designee ("Director") is authorized to
3 establish and collect a convenience fee ("Fee") that shall apply to the total payment
4 charged to each credit or debit card transaction made via electronic commerce technology.
5 The Fee shall only be imposed one time on each credit or debit card used in a transaction.
6 The Fee shall be in addition to the total amount of the original fee, fine, or bill owed to the
7 City, plus any applicable interest, penalty, or late charge. The Fee shall also be in addition
8 to any transaction charges or fees set by a financial institution that the City decides to
9 collect as a means of recovering the City's cost of having the financial institution process
10 the credit or debit card payments.
11

12 **5.22.020 Amount of Fee**

13 The Director shall set a specific Fee by rule. This Fee shall be negotiated with and
14 approved by the Head of each City Department that accepts payment through electronic
15 commerce technology, and shall not exceed any applicable provision of Federal, State, or
16 local law.
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20 Section 2. Any acts consistent with the authority and prior to the effective date of this ordinance
21 are hereby ratified and confirmed.
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Section 3. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 7th day of December 1998, and signed by me in open session in authentication of its passage this 7th day of December, 1998.

Joe Arnold
President _____ of the City Council *

Approved by me this 10th day of December, 1998.

Paul Suller

Mayor

Filed by me this 14th day of December, 1998.

Janice E. [Signature]

City Clerk

(Seal)



City of Seattle

Paul Schell, Mayor

Executive Services Department
Dwight D. Dively, Director

MEMORANDUM

Date: October 2, 1998

To: Honorable Sue Donaldson, President
Seattle City Council

From: Dwight Dively, Director *[Signature]*
Executive Services Department

Subject: AN ORDINANCE relating to the payment of fees, billings, and other monies due the City; authorizing the Executive Services Director to set, charge, and collect a convenience fee on remote payment transactions when the customer pays by credit or debit card using any method of payment available for electronic commerce; and adding a new Chapter to Title 5 of the Seattle Municipal Code.

I am pleased to provide the attached ordinance which authorizes the Executive Services Department to establish and collect a convenience fee from customers who elect to pay their City bills with debit or credit cards using electronic commerce methods (e.g., Integrated Voice Response (IVR) systems, internet websites, etc.). Examples of such payments include utility bills, permits, park rental fees, parking ticket fines, etc. Although many departments are currently staffed to collect monies in-person, their hours of operation are often inconvenient. Electronic commerce methods of payment, which are being deployed in other jurisdictions, are proving to be very popular with an increasing number of citizens who desire alternative means of conducting their business transactions.

A new IVR application is being installed by the Executive Services Department (ESD) on behalf of the Seattle Municipal Court and is scheduled to be placed into service during the month of October. This is the City's first of several planned applications that are being designed to collect payments. The IVR was acquired with anticipated funding from a \$3.00 convenience fee, which was intended to help recover the cost to procure, operate, and maintain the IVR system. The \$3.00 fee was derived by analyzing projected costs and through discussions between the Municipal Court, ESD, and VisaNet, the financial clearing agent for credit and debit card transactions. Based upon 189,000 expected transactions over a 5-year period, at a rate of \$3.00 (the convenience fee) per transaction, ESD expects to collect \$567,000 to recover costs associated with providing this service for the Municipal Court.

Dively/Donaldson
Convenience Fee Ordinance
October 2, 1998
Page 2

We look forward to the passage of this legislation, and would be pleased to provide you with an individual briefing if you would like. Please feel free to call Dean Arnold at 386-1110 if there's any information or assistance we can provide.

Attachments:

Ordinance
Fiscal Note

CC: Mike Nagan, IT-Director, ESD
Barbara Gangwer, Budget Analyst, CBO
Bill Schrier, Communications Director, ESD
Steven Gross, Attorney, Law
Dean Arnold, Manager, ESD
Mark Parcher, Manager, Municipal Court

Fiscal Note

Each piece of legislation that is financial in nature will be accompanied by a fiscal note. The fiscal note should be drafted by department staff and will identify operating, capital, revenue, and FTE impacts of the legislation.

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Executive Services	Dean Arnold, 6-1110	

Legislation Title: Convenience Fee for Electronic Payments via Electronic Commerce Technology

Summary of the Legislation: AN ORDINANCE relating to the payment of fees, billings, and other monies due the City; authorizing the Executive Services Director to set, charge, and collect a convenience fee on remote payment transactions when the customer pays by credit or debit card using any method of payment available for electronic commerce; and adding a new Chapter to Title 5 of the Seattle Municipal Code.

Background (Include justification for the legislation

and funding history, if applicable): The City is authorized to accept the payment of fees and fines by Ordinances 116799, 117017, and 117375. Beginning October, 1998, payees of these fees and fines will be given the option of making such payments through electronic commerce-style methods of payment including, but not limited to, payment via credit or debit card over the Internet and payment via Interactive Voice Response ("IVR") technology. This technology is designed to be available to the customer twenty-four hours per day, seven days per week, without the need for a customer service representative, therefore, providing an extension of normal business hours to the City's customers. To provide this enhanced service, the City has incurred and will continue to incur the costs of developing, establishing, maintaining, and modifying these electronic commerce-style methods of payment. As such, it has been proposed that those customers who benefit from the convenience this technology provides bear a share of the costs to furnish this service. This Ordinance authorizes the Director of the Executive Services Department to set a convenience fee to be charged to users of this technology when making payments to the City.

Sustainability Issues (related to grant awards): Not Applicable.

Estimated Expenditure Impacts:

FUND	1998	1999	2000
ESD Operating Fund	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0

One-time \$0 _____

On-going \$0 _____

Estimated Revenue Impacts:

FUND	1998	1999	2000
ESD Operating Fund	\$2,000	\$100,000	\$108,000
TOTAL			

One-time \$0 _____

On-going \$108,000 _____

Estimated FTE Impacts:

FUND	1998	1999	2000
ESD Operating Fund	0	0	0
TOTAL	0	0	0

Full Time 0 # Part Time 0 # TES 0

Do positions sunset in the future? If so, when? Not Applicable.

Other issues (including long-term implications of the legislation): None.

TIME AND DATE STAMP

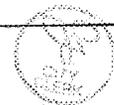
SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

Martha Chase

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____



PRESIDENT'S SIGNATURE

City of Seattle

ORDINANCE 119283

AN ORDINANCE relating to the payment of fees, billings, and other monies due the City, authorizing the Executive Services Director to set, charge, and collect a convenience fee on remote payment transactions when the customer pays by credit or debit card using any method of payment available for electronic commerce, and adding a new Chapter to Title 5 of the Seattle Municipal Code.

WHEREAS, Ordinances 116799, 117017, and 117375 authorize the City of Seattle to accept payment of fees and fines, and

WHEREAS, the City provides its customers the option of making payment through electronic commerce-style methods of payment including, but not limited to, payment via credit or debit card over the Internet, and payment via Interactive Voice Response (IVR) technology which is available to the customer on a twenty-four hours per day, seven days per week basis, without the need for a customer service representative; and

WHEREAS, the City has incurred, and will continue to incur, the costs of developing, establishing, maintaining, and modifying these electronic commerce-style methods of payment, and intends for such costs to be borne in fair shares by those customers who choose to take advantage of the convenience of making payments via these methods of payment; and

WHEREAS, the City's Executive Services Department has been directed to establish appropriate business practices concerning the acceptance of credit card payments, and to develop and administer the technology that will allow the City to accept all methods of payment available for electronic commerce on behalf of other City Departments; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1, Title 5 of the Seattle Municipal Code is amended by adding a new Chapter, 5.22, as follows:

CHAPTER 5.22 CONVENIENCE FEE FOR ELECTRONIC PAYMENTS VIA ELECTRONIC COMMERCE TECHNOLOGY

SECTIONS:

5.22.010 FEE AUTHORIZED

5.22.020 AMOUNT OF FEE

5.22.010. FEE AUTHORIZED

The Executive Services Director or the Director's Designee ("Director") is authorized to establish and collect a convenience fee ("Fee") that shall apply to the total payment charged to each credit or debit card transaction made via electronic commerce technology. The Fee shall only be imposed one time on each credit or debit card used in a transaction. The Fee shall be in addition to the total amount of the original fee, or bill owed to the City, plus any applicable interest, penalty, or late charge. The Fee shall also be in addition to any transaction charges or fees set by a financial institution that the City decides to collect as a means of recovering the City's cost of having the financial institution process the credit or debit card payments.

5.22.020 AMOUNT OF FEE

The Director shall set a specific Fee by rule. This Fee shall be negotiated with and approved by the Board of each City Department that accepts payment through electronic commerce technology, and shall not exceed any applicable provision of Federal, State, or local law.

Section 2. Any acts consistent with the authority and prior to the effective date of this ordinance are hereby ratified and confirmed.

Section 3. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 7th day of December, 1998, and signed by me in open session in authentication of its passage this 7th day of December, 1998.

SUE DONALDSON, President of the City Council. Approved by me this 10th day of December, 1998.

PAUL SCHELL, Mayor. Filed by me this 14th day of December, 1998.

(Seal) JUDITH E. PIPPIN, City Clerk. Publication ordered by JUDITH PIPPIN, City Clerk.

WASHINGTON - KING COUNTY

—SS.

No. FULL ORDINAN

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORD 119283

was published on

12/22/98

The amount of the fee charged for the foregoing publication is the sum of \$, which amount has been paid in full.

H. Patterson

Subscribed and sworn to before me on

12/22/98

McClintock

Notary Public for the State of Washington, residing in Seattle