

Ordinance No. 121364

Council Bill No. 114770

AN ORDINANCE relating to the City's acceptance of credit cards, debit cards, and other electronic commerce methods for payment of taxes, license fees, fines, other fees, and City services; authorizing acceptance by City departments of these forms of payments for these purposes; authorizing the Director of Executive Administration to determine when City departments may accept, and set and impose service and other fees for, credit cards, debit cards, and electronic commerce payments; providing for the adoption of City-wide policies and procedures for the acceptance of credit cards, debit cards, and electronic commerce; and amending Chapter 5.22 of the Seattle Municipal Code.

The City of Seattle
Council Bill/Ordinance

PO Pass 3-050

12-8-03 Pass

CECLOS

CF No. _____

Date Introduced:	<u>DEC 1 - 2003</u>	
Date 1st Referred:	<u>DEC 1 - 2003</u>	
Date Re - Referred:	To: (committee) <u>Finance, Budget, Business & Labor Committee</u>	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>7-0</u>	
Date Presented to Mayor:	Date Approved: <u>12/17/03</u>	
Date Returned to City Clerk:	Date Published: <u>4/00</u>	T.O. <input checked="" type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetted by Mayor:	Date Veto Established:	
Date Passed Over Veto:	Veto Sustained:	

This file is complete and ready

Law Department

Law Dept. Review

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Jan Peago

Councilmember

Committee Action:

pass 3-0 JD, B, M

12803 Passed 70

(Excused: Compton, Melver)

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

Committee: _____

(Initial/Date)

Law Department

Law Dept. Review

OMP
Review

City Clerk
Review

Electronic
Copy Loaded

Indexed

*Serial Note Clerk/Dept
Approved
Full Text Loaded
Law Dept. Mark
No Attachments
Check full B
No Tolia*

ORDINANCE 121364

AN ORDINANCE relating to the City's acceptance of credit cards, debit cards, and other electronic commerce methods for payment of taxes, license fees, fines, other fees, and City services; authorizing acceptance by City departments of these forms of payments for these purposes; authorizing the Director of Executive Administration to determine when City departments may accept, and set and impose service and other fees for, credit cards, debit cards, and electronic commerce payments; providing for the adoption of City-wide policies and procedures for the acceptance of credit cards, debit cards, and electronic commerce; and amending Chapter 5.22 of the Seattle Municipal Code.

WHEREAS, use of credit and debit cards has become prevalent in everyday financial transactions, and citizen demand has risen dramatically for the availability to pay for City taxes, licenses, fees, and services by credit cards, debit cards, and electronic commerce methods; and

WHEREAS, Ordinance 117375, as amended by Ordinance 117524, requires all City departments to obtain the approval of the Director of Executive Administration prior to accepting credit and debit cards for certain types of City payments; and Ordinance 119283 authorizes the Director of Executive Administration to establish and collect fees for various electronic payment transactions; and

WHEREAS, the State Auditor has approved of first-class cities accepting credit cards for payments of City-imposed fees and taxes, and absorbing related bank fees; and

WHEREAS, it is in the City's and the public's interests to continue to have central oversight by the Director of Executive Administration to ensure that the electronic commerce practices by the various City departments are cost-effective and appropriate to the service, managed with proper financial controls and proper security for both the City and the customer, and integrated with the City's other financial operations; and

WHEREAS, each City department will be responsible for any costs incurred through its acceptance of credit cards, debit cards, and other electronic commerce methods;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

1 **Section 1.** The title of Chapter 5.22 of the Seattle Municipal Code is hereby amended as
2 follows: (~~((CONVENIENCE FEE FOR ELECTRONIC))~~) **PAYMENTS VIA CREDIT AND**
3 **DEBIT CARDS AND ELECTRONIC COMMERCE**

4
5 **Section 2.** Seattle Municipal Code Section 5.22.010 is hereby amended as follows:

6 **SMC 5.22.010 (~~((Fee authorized))~~) Authorization for Acceptance of Credit Cards,**
7 **Debit Cards, and Electronic Commerce.**

8 All City departments are authorized to accept credit cards, debit cards, and electronic
9 commerce for payment of City taxes, licenses, fees, and other services, but only if and to the
10 extent approved by the Director of Executive Administration or the Director's designee
11 ("Director"). Before approving a City department's policies and procedures for the acceptance of
12 credit cards, debit cards, or electronic commerce payments for City taxes, licenses, fees, or
13 services, the Director shall consider whether sufficient provision has been made for internal
14 financial controls and security. The Director is further authorized to establish City-wide policies
15 and procedures for the acceptance of credit cards, debit cards, and electronic commerce for
16 payment of City taxes, licenses, fees, and other services. (~~((The Director of Executive~~
17 Administration or the Director's designee ("Director") is authorized to establish and collect a
18 convenience fee ("fee") that shall apply to the total payment charged to each credit or debit card
19 transaction made via electronic commerce technology. The fee shall only be imposed one (1)
20 time on each credit or debit card used in a transaction. The fee shall be in addition to the total
21 amount of the original fee, fine, or bill owed to the City, plus any applicable interest, penalty, or
22 late charge. The fee shall also be in addition to any transaction charges or fees set by a financial
23 institution that the City decides to collect as a means of recovering the City's cost of having the
24 financial institution process the credit or debit card payments.))



1
2 **Section 3.** Seattle Municipal Code Section 5.22.020 is hereby amended as follows:

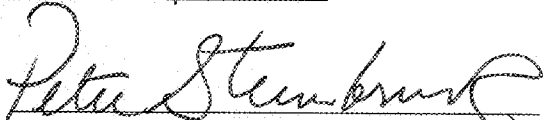
3 **SMC 5.22.020 Fees for Credit, Debit, and Electronic Payments ((Amount of Fee)).**

4 With approval by the Director as to the type and amount of any convenience fee ("fee"), a
5 City department may apply a fee and add it to each credit or debit card transaction, or to
6 payments made electronically. ((The Director shall set a specific fee by rule.)) The fees, which
7 need not be the same for all departments or for all transactions, shall be ((negotiated with and
8 approved by)) established by the Director after consultation with the Head of each City
9 Department that accepts payment through credit or debit cards, or through electronic commerce
10 technology, shall be designed to recover no more than the City's overall costs in accepting and
11 processing payments, and shall not exceed any applicable provision of federal, state, or local law.
12 Upon approval by the Director, City departments may be authorized to absorb part or all of any
13 charges imposed by a bank or other commercial provider in connection with the acceptance of
14 credit and debit cards or payments made electronically.
15
16
17
18
19
20
21
22
23
24
25
26
27
28

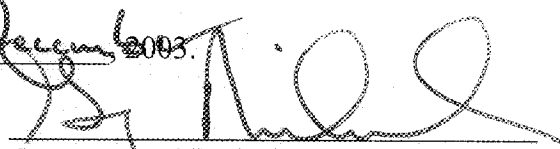


Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 8th day of December 2003, and signed by me in open session in authentication of its passage this 8th day of December, 2003.


President _____ of the City Council

Approved by me this 17 day of December 2003.


Gregory J. Nickels, Mayor

Filed by me this 17th day of December 2003.


City Clerk

(Seal)



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

November 4, 2003

Honorable Peter Steinbrueck
President
Seattle City Council
City Hall, 2nd Floor

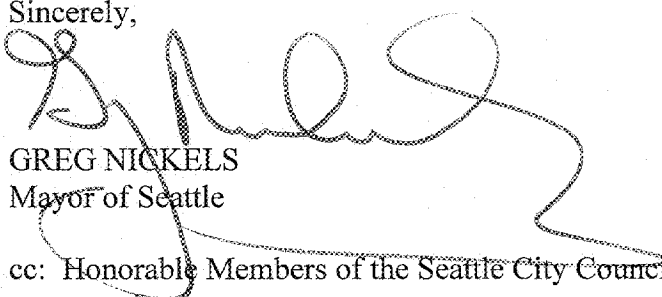
Dear Council President Steinbrueck:

We have received an increasing number of citizen requests to accept credit and debit cards for payment of City taxes, licenses, fees and other City services. The attached proposed ordinance clarifies policies and procedures that will allow for the acceptance of debit and credit cards by City departments as a method of payment.

Departments wishing to expand payment options to include credit or debit card payments for services will submit an application to the Director of Executive Administration, who will evaluate whether the department has made a solid business case for accepting such cards. The Director will ensure the requesting department has developed a realistic budgetary plan for handling anticipated credit or debit card fees, and has the ability to administer the credit or debit card option using sound transaction management practices that maintain a combination of high standards for customer security and low risk for the City.

The use of credit and debit cards has become a widely accepted method of payment in our society. While providing citizens with the convenience of using such cards to pay for City services, we will also be providing our managers with the flexibility to accept credit and debit card payments, to help meet their specific business needs. Thank you for your consideration of this legislation. Should you have questions, please contact Ken Nakatsu at 684-0505.

Sincerely,



GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, Seattle, WA 98104-8154

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@ci.seattle.wa.us

An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Executive Administration	Gregg Johanson/3.9833	Jennifer Devore/5.1328

Legislation Title:

AN ORDINANCE relating to the City's acceptance of credit cards, debit cards, and other electronic commerce methods for payment of taxes, license fees, fines, other fees, and City services; authorizing acceptance by City departments of these forms of payments for these purposes; authorizing the Director of Executive Administration to determine when City departments may accept, and set and impose service and other fees for, credit cards, debit cards, and electronic commerce payments; providing for the adoption of City-wide policies and procedures for the acceptance of credit cards, debit cards, and electronic commerce; and amending Chapter 5.22 of the Seattle Municipal Code.

• **Summary of the Legislation:**

The proposed ordinance clarifies sections of the Seattle Municipal Code pertaining to the acceptance of credit and debit cards by City departments for City fees, taxes, and charges. The Director of Executive Administration ("Director") would issue policy guidelines to City departments for credit and debit card payment options. The goal is to expand payment options within a consistent framework that balances the values of citizen convenience and fiscal prudence while providing managers with the flexible to tailor business practices to specific department needs. Departments wishing to expand payment options to include credit card payments for new services or through new channels will submit an application to the Director. The Director will evaluate whether the department has made a solid business case for accepting credit cards, has a realistic budgetary plan for handling anticipated credit card fees, and ability to administer the credit card option using sound transaction management practices that maintains a high standard of customer security and limits risk for the City.

• **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

The Director of Executive Administration has had the responsibility to determine whether or not credit card payments may be accepted, on a case-by-case basis (Ordinances 117375 and 117524). It is in the City's and the public's interests to continue to have central oversight by the Director of Executive Administration, to ensure that the electronic commerce practices by the various City departments are: cost-effective and appropriate to the service, managed with proper financial controls and proper security for both the City and the customer, and integrated with the City's other financial operations. Recently, the use of credit and debit cards has become prevalent in everyday financial transactions, and citizen demand has risen dramatically for the availability to pay for City taxes, license, fees and services by credit cards, debit cards, and electronic commerce methods. The



proposed ordinance will allow City departments for the first time to accept credit and debit cards in payment of taxes.

Credit card companies impose various types of fees for use of the card; at the same time, the credit card companies place restrictions on the types and amount of "convenience fees" that the City might choose to impose to recover part of the cost of accepting credit and debit cards. Central oversight by the Director of Executive Administration will allow the City to minimize the cost impacts of various fee restrictions, provide for maximum flexibility for the requirements of different City departments, and ensure that the City maintains appropriate financial controls and security.

- *Please check one of the following:*

X **This legislation does not have any financial implications.** *(Stop here and delete the remainder of this document prior to saving and printing.)*

STATE OF WASHINGTON – KING COUNTY

--SS.

166702
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

Affidavit of Publication

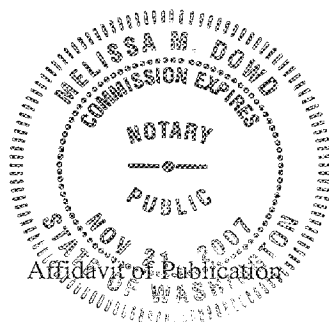
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published 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 121364

was published on

12/26/2003



Jennifer Potger

Subscribed and sworn to before me on

12/26/2003

Mel Dowd

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

According to the demands of the
S
ent will be rendered against you
ase of your failure so to do, judg-
heir office below stated; and, in
torneys for the plaintiffs, at
nswer upon the undersigned
plaintiffs and serve a copy of your
nd answer the complaint of the
= cion in the above entitled court,
(nd defend the above entitled
(he 28th day of November, 2003,
o wit, within sixty (60) days after
st publication of this summons,
ixty (60) days after the date of the
y summoned to appear within
You, and each of you, are here-
n, Defendants:
described in the complaint here-
ten or interest in the real estate
2 claiming any right, title, estate,
other persons or parties unknown
a Joseph F. Neukirchen and all
r unknown heirs and devisees of
s Alice H. Neukirchen. The
aid unknown heirs and devisees
h The State of Washington to the
d Publication
a No. 03-2-10292-0 KNT. Summons
s complaint herein, Defendants.
s real estate described in the
I state, then or interest in the
t claiming any right, title,
t ions or parties unknown
s Neukirchen and all other per-
(eirs and devisees of Joseph F.
c Neukirchen. The unknown
e heirs and devisees of Alice H.
plaintiffs vs. the unknown
plaintiffs and devisees of Joseph F.
Neukirchen and all other per-
sons or parties unknown
claiming any right, title,
state, then or interest in the
real estate described in the
complaint herein, Defendants.
No. 03-2-10292-0 KNT. Summons
Publication
The State of Washington to the
aid unknown heirs and devisees
of Alice H. Neukirchen. The
unknown heirs and devisees of
Joseph F. Neukirchen and all
other persons or parties unknown
claiming any right, title, estate,
ten or interest in the real estate
described in the complaint here-
n, Defendants:
You, and each of you, are here-
ly summoned to appear within
sixty (60) days after the date of the
first publication of this summons,
or wit, within sixty (60) days after
the 28th day of November, 2003,
and defend the above entitled
action in the above entitled court,
and answer the complaint of the
plaintiffs and serve a copy of your
answer upon the undersigned
attorneys for the plaintiffs, at
their office below stated; and, in
case of your failure so to do, judg-
ment will be rendered against you
according to the demands of the

Section 3. Seattle Municipal Code Section 5.22.020 is hereby amended as follows:

SMC 5.22.020 Fees for Credit, Debit, and Electronic Payments ((Amount of Fee)).

With approval by the Director as to the type and amount of any convenience fee ((fee)), a City department may apply a fee and add it to each credit or debit card transaction, or to payments made electronically. ((The Director shall set a specific fee by rule.)) The fees, which need not be the same for all departments or for all transactions, shall be ((negotiated with and approved by)) established by the Director after consultation with the Head of each City Department that accepts payment through credit or debit cards, or through electronic commerce technology, shall be designed to recover no more than the City's overall costs in accepting and processing payments, and shall not exceed any applicable provision of federal, state, or local law. Upon approval by the Director, City departments may be authorized to absorb part or all of any charges imposed by a bank or other commercial provider in connection with the acceptance of credit and debit cards or payments made electronically.

Section 4. 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 8th day of December, 2003, and signed by me in open session in authentication of its passage this

STATE OF WASHINGTON – KING COUNTY

--SS.

178831
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

Affidavit of Publication

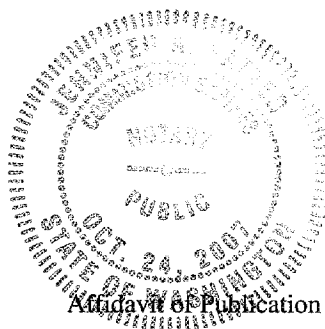
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published 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:121364&121365

was published on

11/15/2004



Affidavit of Publication

Subscribed and sworn to before me on

11/15/2004

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on November 1, 2004, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 654-3344.

ORDINANCE NO. 121635

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 121634

AN ORDINANCE relating to the Mercer Corridor; modifying restrictions in the 2004 Adopted Budget that limit the Seattle Department of Transportation's spending on the Mercer Corridor Project; recommending the Two-Way Mercer Boulevard and narrowed Valley Street alternative for evaluation in the NEPA and SEPA environmental review process; directing the Department of Transportation to develop options for the proposed Two-way Mercer alternative to meet certain performance improvements; and directing the Department to evaluate other measures that may help traffic flow, including an aggressive Transportation Demand Management Program for South Lake Union.

Publication ordered by JUDITH PIPPIN, City Clerk.

Date of publication in the Seattle Daily Journal of Commerce, November 15, 2004.

11/15/178831