

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 222

Short Title: Government Accept Credit Cards.

(Public)

Sponsors: Senator Reeves.

Referred to: Finance.

March 4, 1999

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR STATE AND LOCAL GOVERNMENTS TO ACCEPT
CREDIT CARDS AND DEBIT CARDS FOR PAYMENT OF GOVERNMENT
FEES, COSTS, AND DEBTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 147-86.10 reads as rewritten:

"§ 147-86.10. Statement of policy.

It is the policy of the State of North Carolina that all agencies, institutions, departments, bureaus, boards, ~~commissions~~commissions, and officers of the State, whether or not subject to the Executive Budget Act, Chapter 143, Article 1 of the General Statutes, shall devise techniques and procedures for the receipt, deposit, and disbursement of moneys coming into their control and custody which are designed to maximize interest-bearing investment of cash, and to minimize idle and nonproductive cash balances. This policy shall apply to the General Court of Justice as defined in Article IV of the North Carolina Constitution, the public school administrative units, and the community colleges with respect to the receipt, deposit, and disbursement of moneys required by law to be deposited with the State Treasurer and with respect to moneys made available to them for expenditure by warrants drawn on the State Treasurer. This policy shall include the acceptance of credit cards and debit cards in accordance with

1 G.S. 147-86.22 to the maximum extent possible consistent with sound business
2 practices."

3 Section 2. G.S. 147-86.22(b) reads as rewritten:

4 "(b) Credit Card Payment. – Notwithstanding the provisions of G.S. 147-86.21, this
5 subsection applies to debts owed a community college, a local school administrative unit,
6 an area mental health, developmental disabilities, and substance abuse authority, and the
7 General Court of Justice as well as to other State agencies as defined in G.S. 147-86.21.
8 The State Controller ~~may~~ shall establish policies that allow accounts receivable to be
9 payable under certain conditions, with the concurrence of the State Treasurer, by credit
10 ~~card~~ card and debit card. A condition of payment by credit card or debit card is receipt
11 by the appropriate State agency of the full amount of the account receivable owed to the
12 State agency. A debtor who pays by credit card or debit card shall be required to include
13 an amount equal to any fee charged by a depository financial institution or card issuer for
14 processing the ~~credit~~ card payment. A payment of an account receivable that is made by
15 credit card or debit card and is not honored by the issuer of the ~~credit~~ card does not relieve
16 the debtor of the obligation to pay the account receivable."

17 Section 3. G.S. 147-86.11 reads as rewritten:

18 "**§ 147-86.11. Cash management for the State.**

19 (a) Uniform Plan. – The State Controller, with the advice and assistance of the
20 State Treasurer, the State Budget Officer, and the State Auditor, shall develop, implement
21 and amend as necessary a uniform statewide plan to carry out the cash management
22 policy for all State agencies. The State Auditor shall report annually to the Advisory
23 Budget Commission and the General Assembly on the implementation of the plan as
24 shown in the audits completed during the prior fiscal year. The State Treasurer shall
25 recommend periodically to the General Assembly any implementing legislation necessary
26 or desirable in the furtherance of the State policy. When used in this section, 'State
27 agency' means any agency, institution, bureau, board, commission or officer of the State;
28 however, except as provided in G.S. 147-86.12, 147-86.13, ~~and 147-86.14, 147-86.14, and~~
29 147-86.22, this Article ~~shall~~ does not apply to the agencies, institutions, bureaus, boards,
30 commissions and officers of the General Court of Justice as defined in Article IV of the
31 North Carolina Constitution or to the local school administrative units and community
32 colleges and their officers and employees.

33 (b) Duties of Auditor. – The State Auditor pursuant to ~~his~~ authority under G.S.
34 147-64.6 shall monitor agency compliance with this Article, and make any comments,
35 suggestions, and recommendations ~~he~~ the Auditor deems advisable to the agencies.

36 (c) Treasurer's Report. – The State Treasurer shall publish a quarterly report on all
37 funds in the control or custody of the State Treasurer showing cash balances on hand,
38 investments of cash balances and a comparative analysis of earnings and investment
39 performances.

40 (d) Earnings on Trust Funds. – The statewide cash management plan shall provide
41 that any net earnings on invested funds, whose beneficial owner is not the State or a local
42 governmental unit, shall be paid to the beneficial owners of the funds. 'Net earnings' are

1 the amounts remaining after allowance for the cost of administration, management, and
2 operation of the invested funds.

3 (e) Elements of Plan. – For moneys received or to be received, the statewide cash
4 management plan shall provide at a minimum that:

5 (1) Except as otherwise provided by law, moneys received by employees of
6 State agencies in the normal course of their employment shall be
7 deposited as follows:

8 a. Moneys received in trust for specific beneficiaries for which the
9 employee-custodian has a duty to invest shall be deposited with
10 the State Treasurer under the provisions of G.S. 147-69.3.

11 b. All other moneys received shall be deposited with the State
12 Treasurer pursuant to G.S. 147-77 and G.S. 147-69.1.

13 (2) Moneys received shall be deposited daily in the form and amounts
14 received, except as otherwise provided by ~~statute;~~ statute.

15 (3) Moneys due to a State agency by another governmental agency or by
16 private persons shall be promptly billed, collected and ~~deposited;~~
17 deposited.

18 (4) Unpaid billings due to a State agency shall be turned over to the
19 Attorney General for collection no more than 90 days after the due date
20 of the billing, except that a State agency need not turn over to the
21 Attorney General unpaid billings of less than five hundred dollars
22 (\$500.00), or (for institutions where applicable) amounts owed by all
23 patients which are less than the federally established deductible
24 applicable to Part A of the Medicare program, and instead may handle
25 these unpaid bills pursuant to agency debt collection ~~procedures;~~ and
26 procedures.

27 (5) Moneys received in the form of warrants drawn on the State Treasurer
28 shall be deposited by the State agency directly with the State Treasurer
29 and not through the banking system, unless otherwise approved by the
30 State Treasurer.

31 (6) State agencies shall accept payment by credit cards and debit cards in
32 accordance with G.S. 147-86.22 to the maximum extent possible
33 consistent with sound business practices.

34 (f) Disbursement Requirements. – For the disbursement of money, the statewide
35 cash management plan shall provide at a minimum that:

36 (1) Moneys deposited with the State Treasurer remain on deposit with the
37 State Treasurer until final disbursement to the ultimate ~~payee;~~ payee.

38 (2) The order in which appropriations and other available resources are
39 expended shall be subject to the provisions of G.S. 143-27 regardless of
40 whether the State agency disbursing or expending the moneys is subject
41 to the Executive Budget ~~Act;~~ Act.

42 (3) Federal and other reimbursements of expenditures paid from State funds
43 shall be paid immediately to the source of the State ~~funds;~~ funds.

- 1 (4) Billings to the State for goods received or services rendered shall be
2 paid neither early nor late but on the discount date or the due date to the
3 extent ~~practicable; and practicable.~~
- 4 (5) Disbursement cycles for each agency shall be established to the extent
5 practicable so that the overall efficiency of the warrant disbursement
6 system is maximized while maintaining prompt payment of bills due.
- 7 (g) Interest Maximized. – The interest earnings of the General Fund and Highway
8 Fund shall be maximized to the extent practicable. To this end:
- 9 (1) Interest earnings shall not be allocated to an account by the State
10 Treasurer unless all of the moneys in the account are expressly eligible
11 by law for receiving interest ~~allocations; allocations.~~
- 12 (2) State officers and employees who received moneys in trust or for
13 investment shall be solely responsible for properly segregating such
14 funds for investment in the manner prescribed by law. The officer or
15 employee charged with the responsibility for these moneys shall be
16 under a duty to segregate the funds in a timely manner. No investment
17 income shall be allocated by the State Treasurer to trust or other
18 investment accounts until properly segregated into investment accounts
19 as provided by law and the rules of the State Treasurer.
- 20 (h) New Technologies. – The statewide cash management plan shall consider new
21 technologies and procedures whenever the technologies and procedures are economically
22 beneficial to the State as a whole. Where the new technologies and procedures may be
23 implemented without additional legislation, the technologies and procedures shall be
24 implemented in the plan.
- 25 (i) Penalty. – A willful or continued failure of an employee paid from State funds
26 or employed by a State agency to follow the statewide cash management plan is sufficient
27 cause for immediate dismissal of the employee."
- 28 Section 4. Article 3 of Chapter 159 of the General Statutes is amended by
29 adding a new section to read:
- 30 **"§ 159-32.1. Credit card payment.**
- 31 The Commission shall establish policies that allow local governments' accounts
32 receivable to be payable under certain conditions by credit card and debit card. A
33 condition of payment by credit card or debit card is receipt by the local government of the
34 full amount of the account receivable owed to it. A debtor who pays by credit card or
35 debit card shall be required to include an amount equal to any fee charged by a depository
36 financial institution or card issuer for processing the card payment. A payment of an
37 account receivable that is made by credit card or debit card and is not honored by the
38 issuer of the card does not relieve the debtor of the obligation to pay the account
39 receivable."
- 40 Section 5. This act is effective when it becomes law.