



2023-2024 General Assembly

# HOUSE BILL 259: 2023 Appropriations Act, Sec. 41.14E: Authorize the Division of Motor Vehicles to Implement Transaction Fees on Electronic Payments

<b>Committee:</b>		<b>Date:</b>	December 4, 2023
<b>Introduced by:</b>		<b>Prepared by:</b>	Trina Griffin Staff Attorney
<b>Analysis of:</b>	Sec. 41.14E of S.L. 2023-134		

**OVERVIEW:** Section 41.14E of S.L. 2023-134 requires the Division of Motor Vehicles (DMV), Department of Transportation, to develop a plan for adding a fee to transactions where it accepts electronic payment to offset any service charge DMV pays for electronic payment service and to submit the plan to the chairs of the Joint Legislative Transportation Oversight Committee, the chairs of the House and Senate Transportation Appropriations Committees, and the Fiscal Research Division by January 1, 2024. This section also authorizes DMV to charge a transaction fee of up to 2% of the electronic payment beginning July 1, 2024.

The directive to DMV became effective October 3, 2023. The provision authorizing DMV to add a transaction fee of up to 2% for electronic payments becomes effective July 1, 2024.

**BILL ANALYSIS:** This section does two things. First, it requires DMV to develop a plan for adding a fee to transactions where it accepts electronic payment, such as credit or debit cards, to offset any service charge DMV pays for electronic payment service. DMV must submit this plan to the chairs of the Joint Legislative Transportation Oversight Committee, the chairs of the House and Senate Transportation Appropriations Committees, and the Fiscal Research Division no later than January 1, 2024. The plan must do all of the following:

- (1) Determine the processes DMV will use to implement an electronic payment transaction fee.
- (2) Determine the percentage transaction fee necessary to impose on parties using electronic payment to offset any service charges DMV pays.
- (3) Estimate the costs DMV would incur implementing the changes required by the plan, if any.
- (4) Estimate the cost-savings DMV will realize by charging an electronic payment transaction fee.

Second, this section authorizes DMV to add a transaction fee of up to 2% of the electronic payment to each electronic payment transaction to offset the service charge DMV pays for electronic payment service, beginning July 1, 2024.

**EFFECTIVE DATE:** The directive to DMV to develop a plan for implementing an electronic payment transaction fee became effective October 3, 2023. The provision authorizing DMV to add a transaction fee of up to 2% for electronic payments becomes effective July 1, 2024.

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