



Ohio Revised Code

Section 503.55 Acceptance of payments by financial transaction devices for township expenses.

Effective: September 29, 2015

Legislation: House Bill 64 - 131st General Assembly

(A) As used in this section:

(1) "Financial transaction device" includes a credit card, debit card, charge card, or prepaid or stored value card, or automated clearinghouse network credit, debit, or e-check entry that includes, but is not limited to, accounts receivable and internet-initiated, point of purchase, and telephone-initiated applications or any other device or method for making an electronic payment or transfer of funds.

(2) "Township expenses" includes fees, costs, assessments, fines, penalties, payments, or any other expense a person owes or otherwise pays to a township.

(B) Notwithstanding any other section of the Revised Code and except as provided in division (D) of this section, a board of township trustees may adopt a resolution authorizing the acceptance of payments by financial transaction devices for township expenses. The resolution shall include the following:

(1) A specification of those township offices that are authorized to accept payments by financial transaction devices;

(2) A list of township expenses that may be paid for through the use of a financial transaction device;

(3) Specific identification of financial transaction devices that the board authorizes as acceptable means of payment for township expenses. Uniform acceptance of financial transaction devices among different types of township expenses is not required.

(4) The amount, if any, authorized as a surcharge or convenience fee under division (E) of this section for persons using a financial transaction device. Uniform application of surcharges or convenience fees among different types of township expenses is not required.



(5) A specific provision as provided in division (G) of this section requiring the payment of a penalty if a payment made by means of a financial transaction device is returned or dishonored for any reason.

The board's resolution also shall designate the township fiscal officer as an administrative agent to solicit proposals, within guidelines established by the board in the resolution and in compliance with the procedures provided in division (C) of this section, from financial institutions, issuers of financial transaction devices, and processors of financial transaction devices, to make recommendations about those proposals to the board, and to assist township offices in implementing the township's financial transaction devices program.

(C) The township shall follow the procedures provided in this division whenever it plans to contract with financial institutions, issuers of financial transaction devices, or processors of financial transaction devices for the purposes of this section. The township fiscal officer shall request proposals from financial institutions, issuers of financial transaction devices, or processors of financial transaction devices, as appropriate in accordance with the resolution adopted under division (B) of this section. Upon receiving the proposals, the fiscal officer shall review them and make a recommendation to the board of trustees on which proposals to accept. The board of trustees shall consider the fiscal officer's recommendation and review all proposals submitted, and then may choose to contract with any or all of the entities submitting proposals, as appropriate. The board of trustees shall provide any financial institution, issuer, or processor that submitted a proposal, but with which the board does not enter into a contract, notice that its proposal is rejected. The notice shall state the reasons for the rejection, indicate whose proposals were accepted, and provide a copy of the terms and conditions of the successful bids.

(D) A board of township trustees adopting a resolution under this section shall post a copy of the resolution in each township office accepting payment by a financial transaction device.

Each township office subject to the board's resolution adopted under division (B) of this section may use only the financial institutions, issuers of financial transaction devices, and processors of financial transaction devices with which the board of township trustees contracts, and each such office is subject to the terms of those contracts.



(E) A board of township trustees may establish a surcharge or convenience fee that may be imposed upon a person making payment by a financial transaction device. The surcharge or convenience fee shall not be imposed unless authorized or otherwise permitted by the rules prescribed by an agreement governing the use and acceptance of the financial transaction device.

If a surcharge or convenience fee is imposed, every township office accepting payment by a financial transaction device shall clearly post a notice in that office, and shall notify each person making a payment by such a device, about the surcharge or fee. Notice to each person making a payment shall be provided regardless of the medium used to make the payment and in a manner appropriate to that medium. Each notice shall include all of the following:

- (1) A statement that there is a surcharge or convenience fee for using a financial transaction device;
- (2) The total amount of the charge or fee expressed in dollars and cents for each transaction, or the rate of the charge or fee expressed as a percentage of the total amount of the transaction, whichever is applicable;
- (3) A clear statement that the surcharge or convenience fee is nonrefundable.

(F) If a person elects to make a payment to the township by a financial transaction device and a surcharge or convenience fee is imposed, the payment of the surcharge or fee shall be considered voluntary and the surcharge or fee is not refundable.

(G) If a person makes payment by financial transaction device and the payment is returned or dishonored for any reason, the person is liable to the township for payment of a penalty over and above the amount of the expense due. The board of township trustees shall determine the amount of the penalty, which may be either a fee not to exceed twenty dollars or payment of the amount necessary to reimburse the township for banking charges, legal fees, or other expenses incurred by the township in collecting the returned or dishonored payment. The remedies and procedures provided in this section are in addition to any other available civil or criminal remedies provided by law.



(H) No person making any payment by financial transaction device to a township office shall be relieved from liability for the underlying obligation except to the extent that the township realizes final payment of the underlying obligation in cash or its equivalent. If final payment is not made by the financial transaction device issuer or other guarantor of payment in the transaction, the underlying obligation shall survive and the township shall retain all remedies for enforcement that would have applied if the transaction had not occurred.

(I) A township official or employee who accepts a financial transaction device payment in accordance with this section and any applicable state or local policies or rules is immune from personal liability for the final collection of such payments.