



Ohio Revised Code

Section 113.40 Acceptance of payments by financial transaction devices.

Effective: September 30, 2025

Legislation: House Bill 96 - 136th General Assembly

(A) As used in this section:

- (1) "Administrative agent of the board of deposit" means the treasurer of state.
- (2) "Financial transaction device" includes a credit card, debit card, banking card, prepaid or stored value card, or any other device or method for making an electronic payment or transfer of funds denominated in United States dollars.
- (3) "Processor" means an entity conducting the settlement of an electronic payment or transfer of funds, which shall be denominated in United States dollars.
- (4) "Revenue" includes fees, charges, tolls, costs, taxes, expenses, assessments, fines, penalties, payments, judgments, restitution ordered by a court, or any other amount a person owes to a state office under the authority of a state elected official or to a state entity.
- (5) "State elected official" means the governor, lieutenant governor, attorney general, secretary of state, treasurer of state, and auditor of state.
- (6) "State entity" includes any state department, agency, board, commission, or office under the authority of a state elected official that deposits funds into the state treasury or into an account in the custody of the treasurer of state.

(B) Notwithstanding any other section of the Revised Code and subject to division (D) of this section, the board of deposit shall adopt a resolution authorizing the collection, receipt, and acceptance by the state of revenue, gifts, donations, or bequests made by a financial transaction device.

The board of deposit's resolution also shall direct the administrative agent of the board of deposit to



solicit proposals, within guidelines established by the board of deposit in the resolution and in compliance with the procedures provided in division (C) of this section; and to assist state entities and state elected officials in implementing any financial transaction device collection, acceptance, processing, receipt, and settlement program authorized pursuant to this section. The board of deposit's resolution applies to financial transaction device services related to any and all bank accounts comprising the state treasury as well as those in the custody of the treasurer of state but not part of the state treasury.

(C) The administrative agent shall follow the procedures provided in this division whenever it plans to contract with one or more processors for the purposes of this section. The administrative agent shall request proposals for acceptance, processing, and settlement services, as appropriate in accordance with the resolution adopted under division (B) of this section. Prior to making the request for proposals available, the administrative agent shall advertise its intent to request proposals for two consecutive weeks by electronic publication on the administrative agent's web site made available to the general public. The notice shall state that the administrative agent intends to request proposals; specify the purpose of the request; indicate the date, which shall be at least fifteen calendar days after the initial publication, on which the request for proposals will be available and shall detail the service or services subject to the request for proposals.

Upon receiving the proposals, the administrative agent shall review them and make a recommendation to the board of deposit regarding which proposal or proposals to accept. The board of deposit shall consider the agent's recommendation and then may choose to authorize the administrative agent, on the board's behalf, to contract with one or more of the processors submitting proposals, as appropriate. The administrative agent may enter into one or more contracts for the provision of payment, collection, acceptance, processing, receipt, and settlement services to the state entities and state elected officials. Through its administrative agent, the board of deposit shall provide any processor that submitted a proposal, but with which the board of deposit's administrative agent does not enter into a contract, notice that its proposal is rejected.

(D) Each state elected official or state entity subject to this section shall use only the processors of financial transaction devices with which the board of deposit's administrative agent contracts, and each such state elected official or state entity is subject to the terms of those contracts.



(E) The state elected official or state entity may establish a surcharge or convenience fee that may be imposed upon a person making payment by a financial transaction device.

Any surcharge or convenience fee shall follow the guidelines of the processor or processors of financial transaction devices with which the board of of deposit's administrative agent contracts.

If a surcharge or convenience fee is imposed, every state elected official and state entity accepting payment by a financial transaction device 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 both 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.

(F) If a person remits revenue to the state by a financial transaction device and the payment of the revenue is reversed for any reason, or if the value of the remitted payment in United States dollars at the time of receipt by the state elected official or state entity is less than the amount owed, the person is liable to the state elected official or state entity for the total amount of the state revenue and any reimbursable costs for collection, including banking charges, legal fees, or other expenses incurred by the state elected official or state entity in collecting the reversed payment. The remedies and procedures provided in this section are in addition to any other available civil or criminal remedies provided by law.

(G) No person remitting any revenue by a financial transaction device to a state elected official or state entity shall be relieved from liability for the underlying obligation, except to the extent that the state elected official or state entity realizes the revenue to the state elected official or state entity in cash or its equivalent. If revenue is not remitted by the financial transaction device issuer, or by other means of payment, or by other guarantor of payment in the transaction, the underlying obligation survives and the state elected official or state entity shall retain all remedies for enforcement that



would have applied if the transaction had not occurred.

(H) A state elected official or employee of a state entity or state elected official who accepts a financial transaction device payment in accordance with this section and any applicable state or local statutes, laws, policies, or rules is immune from personal liability for the final collection of such payments as specified in section 9.87 of the Revised Code.

(I) If the board of deposit determines that it is necessary and in the state's best interest to contract with an additional processor subsequent to the contract award made under division (C) of this section, the board may meet and choose to contract with one or more additional processors for the remainder of the period previously established by a contract award made under division (C) of this section.

(J) The administrative agent, in cooperation with the office of budget and management, may adopt, amend, and rescind rules in accordance with section 111.15 of the Revised Code to implement and administer this section.

(K) The treasurer of state shall have the authority to enter into such contracts necessary to fulfill its obligations as administrative agent for the board of deposit.