

SALT LAKE CITY ORDINANCE

No. 40 of 2014

(Credit card surcharges on transactions involving a credit card)

An ordinance enacting section 3.16.060 of the Salt Lake City Code to provide for a surcharge on transactions involving the use of a credit card.

WHEREAS, on May 17, 2011 the City Council adopted Ordinances 2011-23, 2011-24 and 2011-25 to authorize and create the Salt Lake City Consolidated Fee Schedule; and

WHEREAS, the Salt Lake City Consolidated Fee Schedule sets forth various fees charged by the city in connection with city services; and

WHEREAS, the City occasionally amends the Salt Lake City Consolidated Fee Schedule to insure the fees reflected therein are accurate and appropriate; and

WHEREAS, Section 10-8-85.6 of the Utah State Code expressly permits municipalities to charge an electronic payment fee for electronic payment transactions involving credit cards and other similar devices; and

WHEREAS, governmental entities are also expressly exempted from the prohibition against the imposition of surcharges on credit card transactions contained in Chapter 13-38A of the Utah Code; and

WHEREAS, the City Council finds the imposition of nominal credit card surcharges for the transactions set forth below will further the general welfare of the citizens of Salt Lake City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That section 3.16.060 of the Salt Lake City Code shall be, and hereby is, enacted as follows:

3.16.060: CREDIT CARD SURCHARGE:

- A. The city shall impose a surcharge on any transaction in which a credit card is used to pay:
 - 1. Impact fees;
 - 2. Justice court fees or penalties; or

3. Any fees that go into the city's general fund.
- B. For purposes of this section, the surcharge set forth in subsection 3.16.030(A) shall be as set forth in the Salt Lake City Consolidated Fee Schedule.
- C. The surcharge shall not exceed the lesser of:
1. The annual average merchant discount rate; or
 2. Four percent (4%).
- D. As of July 1, 2014, and each July 1st thereafter, the City Treasurer's Office shall calculate the annual average merchant discount rate by averaging the merchant discount rates of all credit cards accepted by the city during the prior twelve (12) month time period.
- E. The credit card surcharge set forth in this section shall not apply:
1. To a transaction in which a credit card is used to pay for parking time through parking meters, parking pay stations, or the city's pay-by-phone system.
 2. In any instance where such surcharge conflicts with a binding contract between the city and a credit card provider or between the city and the entity or individual making payments to the city.
- SECTION 2. That this ordinance shall become effective immediately upon publication.

Passed by the City Council of Salt Lake City, Utah this 10th day of June, 2014.

Bill No. 40 of 2014.

Published: June 20, 2014.