

## ORDINANCE 361-AA-2020

**AN ORDINANCE OF THE CITY OF UNIVERSAL CITY, TEXAS AUTHORIZING THE ACCEPTANCE OF CREDIT CARDS FOR PAYMENT OF FEES, FINES, COURT COSTS AND OTHER CHARGES; PROVIDING FOR A PROCESSING FEE FOR CREDIT CARD PAYMENT OF FEES, FINES, COURT COSTS AND OTHER CHARGES; PROVIDING FOR A SERVICE CHARGE IF PAYMENT BY CREDIT CARD IS NOT HONORED; PROVIDING FOR SEVERABILITY, CUMULATIVE AND SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE AND AMENDING THE CODE OF ORDINANCES ACCORDINGLY.**

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**WHEREAS**, the City of Universal City is a home-rule municipality established and operating by the laws of the State of Texas; and

**WHEREAS**, Chapter 132 of the Texas Local Government Code authorizes the governing body of a municipality to authorize a municipal official who collects, fees, fines, court costs and other charges to accept payment by credit card; and

**WHEREAS**, Chapter 132 of the Local Government Code authorizes the collection of a *processing fee* for use of a credit card and the collection of a *service charge* if a credit card is not honored by the credit card company; and

**WHEREAS**, 132.002(b) and (c) of the Texas Local Government Code authorizes the governing body of a municipality to authorize a municipal official who collects fees, fines, court costs or other charges to accept payment by credit card and to collect a fee for processing the payment by credit card. The governing body may also authorize the acceptance of payment by credit card without requiring collection of a fee; and

**WHEREAS**, Section 132.003(b) of the Texas Local Government Code authorizes a municipality to set a processing fee in an amount that is reasonably related to the expense incurred by the municipality in processing the payment by credit card, not in an amount that exceeds five percent (5%) of the amount of the fee, fine, court cost, or other charge being paid; and

**WHEREAS**, Section 132.004 of the Texas Local Government Code states that if, for any reason, a credit card payment is not honored by the credit card company on which the funds are drawn, the municipality may collect a service charge from the person who owes the fee, fine, court cost, or other charge in addition to the original fee, fine, court cost or other charge for the collection of the original amount; and

**WHEREAS**, the service charge fee is the same amount as a fee charged for the collection of a check drawn on an account with insufficient funds; and

**WHEREAS**, Section 132.006 of the Texas Local Government Code requires the municipal official collecting a fee or charge to deposit it in the general fund of the municipality; and

**WHEREAS**, the Universal City Council has determined that acceptance of credit cards is beneficial to the City and its citizens' public convenience and should be authorized without all citizens incurring the costs for it; and

**WHEREAS**, the Universal City Council recognizes that the City incurs additional expenses to accept credit card payments and shall set the processing fee in an amount that is reasonably related to the expenses incurred; and

**WHEREAS**, the Universal City Council authorizes a credit card processing fee or service charge, as applicable, for all fees, fines, costs, or other charges for municipal purposes; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS THAT:**

**Section 1.** The foregoing recitals are found to be true and incorporated into this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council of Universal City.

**Section 2.** ARTICLE IV. - Fees and Charges For Licenses, Permits, Inspections Certificates, Services, Appeals And Other Official Action, Section 1-4-40 of the Universal City Code of Ordinances is hereby amended to add the following:

**Use of Credit Cards. Debit Cards. or Other Electronic Means for Payment Due to the City.**

(a) Credit Card use authorized. Each official employed by the City of Universal City who, as part of that employment, collects fees, fines, court costs, or other charges from members of the public that are due to the City is authorized to accept credit cards as payment for such fees, fines, court costs, and other charges.

(b) Amount of Processing Fee. For each fee, fine, court cost, or other charge that is paid by credit card, the official collecting the same shall also collect a processing fee in an amount equal to the three percent (3%) of the amount of the fee, fine, court cost, other charge to be paid, as authorized by Section 132.003(b), Texas Local Government Code. The following services are exempt from the three percent (3%) processing fee:

1. Animal Control fees as codified in Sec 1.4.40 (D) 1-9 of the Universal City Code of Ordinances.
2. Warrant Payments made online through the Official Payments (DBA PCI Payments, Inc.) website.

(c) Service Charge. If for any reason a payment by credit card is not honored by the company on which the funds are drawn, the officer shall collect from the member of the public who attempted to pay by credit card an additional service charge in an amount equal to the fee then being charged for the collection of a check drawn on an account with insufficient funds, as authorized by Section 132.004, Texas Local Government Code.

(d) Encumbrance of Credit Cards. The City Manager shall be authorized on behalf of the City to contract with a company that issues credit cards to collect and seize credit cards issued by the company that are outdated or otherwise unauthorized. Such contract may provide that the City will charge the company a fee for the return of such credit cards, as authorized by Section 135.005, Texas Local Government Code.

(e) Deposit of Processing Fees and Service Charges. Processing fees and service charges collected pursuant to this Ordinance shall be deposited in the general fund of the City, as provided by Section 132.006, Texas Local Government Code.

**Section 3. Severability.** It is hereby declared to be the intention of the City Council of the City of Universal City that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared unconstitutional by valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, since the same would have been enacted by the City Council without incorporation in this ordinance of any such unconstitutional phrases, clause, sentence, paragraph or section.

**Section 4. Savings Clause.** All rights and privileges of the City of Universal City are

expressly saved as to any and all violations of the provision of any Ordinances affecting the subject matter, which have accrued at the time of the effective date of this Ordinance, and, as to such accrued at the time of the effective date of this Ordinance; and as to such accrued violation and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

**Section 5.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**Section 6.** It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

**Section 7. Effective Date.** This Ordinance shall become effective and shall be in full force and effect on and after its passage and publication as required by state law.

**FIRST READING PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF DECEMBER 2020.**

**SECOND READING PASSED AND ADOPTED THIS 5<sup>TH</sup> DAY OF JANUARY 2021.**

City of Universal City

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JOHN WILLIAMS, MAYOR

Attest:

Approved for legal Sufficiency

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Kristin Mueller, City Clerk

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Matthew J Longoria, Attorney