

**FEEES TO COVER COST OF ELECTRONIC  
PAYMENTS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne L. Niederhauser**

House Sponsor: John Dougall

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**LONG TITLE**

**General Description:**

This bill modifies the Motor Vehicles Code, the Revenue and Taxation Code, and the State Boating Act by amending certain fee provisions.

**Highlighted Provisions:**

This bill:

**§→ ► provides definitions; ←§**

► authorizes the Motor Vehicle Division to impose a fee on certain motor vehicle, off-highway vehicle, and boat registrations and renewals of registration to cover the costs of electronic payments;

► authorizes the Motor Vehicle Enforcement Division to impose a fee on certain motor vehicle business transactions to cover the costs of electronic payments;

► provides that the fees authorized:

- shall be imposed regardless of the method of payment;
- need not be separately identified; and
- shall be used as nonlapsing dedicated credits **§→ to cover the costs of electronic**

**payments ←§ ;**

► authorizes the State Tax Commission to charge convenience fees to cover the costs of electronic payments of taxes and fees administered by the commission and provides that the fees shall be used as dedicated credits by the commission; and

► makes technical changes.

**Monies Appropriated in this Bill:**



28 None

29 **Other Special Clauses:**

30 This bill takes effect on July 1, 2007.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **41-1a-1221**, as enacted by Chapter 212, Laws of Utah 2003

34 **41-3-602**, as renumbered and amended by Chapter 234, Laws of Utah 1992

35 **41-3-604**, as enacted by Chapter 147, Laws of Utah 2004

36 **41-22-36**, as enacted by Chapter 212, Laws of Utah 2003

37 **73-18-25**, as enacted by Chapter 212, Laws of Utah 2003

38 ENACTS:

39 **59-1-305**, Utah Code Annotated 1953



41 *Be it enacted by the Legislature of the state of Utah:*

42 Section 1. Section **41-1a-1221** is amended to read:

43 **41-1a-1221. Fees to cover the cost of electronic payments.**

44 (1) ~~§~~ **As used in this section:**

44a **(a) "Electronic payment" means use of any form of payment processed through**  
44b **electronic means, including credit cards, debit cards, and automatic clearinghouse**  
44c **transactions.**

44d **(b) "Electronic payment fee" means the fee assessed to defray:**

44e **(i) the charge, discount fee, or processing fee charged by credit card companies or**  
44f **processing agents to process an electronic payment; or**

44g **(ii) costs associated with the purchase of equipment necessary for processing electronic**  
44h **payments.**

44i ~~(2) ←§~~ **(a) [In accordance with Section 63-38a-105, the Division of Motor Vehicles] The**  
45 **Motor Vehicle Division** may collect an electronic payment fee on all registrations and renewals  
46 of registration under Subsections 41-1a-1206(1)(a), ~~[41-1a-1206]~~ (1)(b), and ~~[41-1a-1206]~~ (2).

47 **(b) The fee described in Subsection ~~§~~ → [(1)] (2) ←§ (a):**

48 **(i) shall be imposed regardless of the method of payment for a particular transaction;**  
49 **and**

50 **(ii) need not be separately identified from the fees imposed for registration and**  
51 **renewals of registration under Subsections 41-1a-1206(1)(a), (1)(b), and (2).**

52 ~~§~~ **→ [(2)] (3) ←§** The division shall establish the fee according to the procedures and  
52a requirements of

53 Section 63-38-3.2.

54 ~~§~~ ~~(3)~~ (4) ~~←~~ ~~§~~ A fee imposed under this section:

55 (a) shall be used by the division as a dedicated credit ~~§~~ ~~→~~ to cover the costs of electronic

55a payments ~~←~~ ~~§~~ ;

56 (b) is nonlapsing; and

57 (c) is not subject to Subsection 63-38a-104(2).

58 Section 2. Section **41-3-602** is amended to read:

59 **41-3-602. Disposition of fees and penalties.**

60 ~~[AH]~~ Except as provided in Sections 41-3-603 and 41-3-604, all fees and penalties  
 61 collected under this chapter shall be paid to the state treasurer who shall deposit them in the  
 62 General Fund.

63 Section 3. Section **41-3-604** is amended to read:

64 **41-3-604. Fee to cover the cost of electronic payments.**

65 (1) ~~§~~ **→** As used in this section:

65a (a) "Electronic payment" has the same meaning as defined in Section 41-1a-1221.

65b (b) "Electronic payment fee" has the same meaning as defined in Section 41-1a-1221.

65c (2) ←§ (a) [In accordance with Section 63-38a-105, the] The division may collect a fee to  
 66 cover the cost of electronic payments on the following transactions:

67 (i) each purchase or renewal of a license under Section 41-3-202;

68 ~~[(a)]~~ (ii) each purchase of a book of temporary permits under Section 41-3-302;

69 ~~[(b)]~~ (iii) each penalty issued for a delinquent temporary permit under Section  
 70 41-3-302; [and]

71 (iv) each purchase of an in-transit permit under Section 41-3-305;

72 (v) each purchase of a loaded demonstration permit under Section 41-3-502;

73 (vi) each purchase of a license plate under Section 41-3-503; and

74 ~~[(c)]~~ (vii) each purchase of a salvage vehicle buyer license under Section 41-3-202.

75 (b) The fee described in Subsection ~~§~~ **→** [(1)] (2) ←§ (a):

76 (i) shall be imposed regardless of the method of payment for a particular transaction;

77 and

78 (ii) need not be separately identified from the fees and penalty described in Subsections

79 ~~§~~ **→** [(1)] (2) ←§ (a)(i) through (vii).

80 ~~§~~ **→** [(2)] (3) ←§ The division shall establish the fee under Subsection ~~§~~ **→** [(1)] (2) ←§ (a)  
 80a according to the

81 procedures and requirements of Section 63-38-3.2.

82 ~~§~~ **→** [(3)] (4) ←§ A fee imposed under this section:

83 (a) shall be used by the division as a dedicated credit ~~§~~ **→** to cover the costs of electronic  
 83a payments ←§ ;

84 (b) is nonlapsing; and

85 (c) is not subject to Subsection 63-38a-104(2).

86 Section 4. Section **41-22-36** is amended to read:

87 **41-22-36. Fees to cover the costs of electronic payments.**

88 (1) ~~§~~ **→** As used in this section: ←§

- 88a **Ŝ→** **(a) "Electronic payment" has the same meaning as defined in Section 41-1a-1221.**
- 88b **(b) "Electronic payment fee" has the same meaning as defined in Section 41-1a-1221.**
- 88c **(2) ←Ŝ** **(a) [In accordance with Section 63-38a-105, the Division of Motor Vehicles] The**
- 89 **Motor Vehicle Division** may collect an electronic payment fee on all registrations and renewals

90 of registration under Section 41-22-8.

91 (b) The fee described in Subsection ~~§~~→ [(1)] (2) ←~~§~~ (a) shall be imposed regardless of the  
 91a method of  
 92 payment for a particular transaction.

93 ~~§~~→ [(2)] (3) ←~~§~~ The division shall establish the fee according to the procedures and  
 93a requirements of  
 94 Section 63-38-3.2.

95 ~~§~~→ [(3)] (4) ←~~§~~ A fee imposed under this section:

96 (a) shall be used by the Motor Vehicle Division as a dedicated credit ~~§~~→ to cover the costs  
 96a of electronic payments ←~~§~~ :

97 (b) is nonlapsing;

98 (c) is not subject to Subsection 63-38a-104(2); and

99 (d) need not be separately identified from the fees imposed on registrations and  
 100 renewals of registration under Section 41-22-8.

101 Section 5. Section **59-1-305** is enacted to read:

102 **59-1-305. Convenience fee to cover the costs of electronic payments.**

103 (1) ~~§~~→ As used in this section:

103a (a) "Electronic payment" has the same meaning as defined in Section 41-1a-1221.

103b (b) "Electronic payment fee" has the same meaning as defined in Section 41-1a-1221.

103c (2) ←~~§~~ The commission may collect a convenience ~~§~~→ electronic payment ←~~§~~ fee  
 103d established in accordance with the

104 procedures and requirements of Section 63-38-3.2 to cover the costs of electronic payments of  
 105 taxes and fees administered by the commission.

106 ~~§~~→ [(2)] (3) ←~~§~~ Notwithstanding any other provisions of this title, the commission shall use  
 106a a fee

107 imposed under this section as a dedicated credit ~~§~~→ to cover the costs of electronic payments ←~~§~~ .

108 Section 6. Section **73-18-25** is amended to read:

109 **73-18-25. Fees to cover the costs of electronic payments.**

110 (1) ~~§~~→ As used in this section:

110a (a) "Electronic payment" has the same meaning as defined in Section 41-1a-1221.

110b (b) "Electronic payment fee" has the same meaning as defined in Section 41-1a-1221.

110c (2) ←~~§~~ (a) [In accordance with Section 63-38a-105, the Division of Motor Vehicles] The  
 111 Motor Vehicle Division may collect an electronic payment fee on all registrations and renewals  
 112 of registration under Section 73-18-7.

113 (b) The fee described under Subsection ~~§~~→ [(1)] (2) ←~~§~~ (a) shall be imposed regardless of

113a the  
114 method of payment for a particular transaction.  
115       ~~§~~→ [(2)] (3) ←~~§~~ The [division] Motor Vehicle Division shall establish the fee according to  
115a the  
116 procedures and requirements of Section 63-38-3.2.  
117       ~~§~~→ [(3)] (4) ←~~§~~ A fee imposed under this section:  
118       (a) shall be used by the Motor Vehicle Division as a dedicated credit ~~§~~→ to cover the costs  
118a of electronic payments ←~~§~~ ;  
119       (b) is nonlapsing;  
120       (c) is not subject to Subsection 63-38a-104(2); and

121            (d) need not be separately identified from the fees imposed on registrations and  
122 renewals of registration under Section 73-18-7.  
123            Section 7. **Effective date.**  
124            This bill takes effect on July 1, 2007.

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**Legislative Review Note**  
as of 1-25-07 9:14 AM

**Office of Legislative Research and General Counsel**



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**S.B. 181 - Fees to Cover Cost of Electronic Payments**

**Fiscal Note**

2007 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations. Provisions of the bill establish non lapsing authority for these collections.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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*1/29/2007, 4:09:47 PM, Lead Analyst: Tennert, J.*

**Office of the Legislative Fiscal Analyst**