

SENATE BILL 2880
By Atchley

AN ACT to amend Tennessee Code Annotated, Section 6-55-101,
relative to payment of any municipal tax, fee, penalty,
interest, or other charge by credit card.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 6-55-101, is amended by adding the
following new subsection:

(c)(1) The collector of every municipal corporation is hereby authorized to:

(A) Accept payment by credit card of any municipal tax, fee, penalty,
interest or other charge; and

(B) Collect a fee for processing the payment by credit card.

(2) As used in this section, unless the context otherwise requires, "credit card"
has the same meaning as used in Section 47-22-101.

(3) The municipal corporation shall set the processing fee in an amount that is
reasonably related to the expense incurred by the municipal corporation in processing
the payment by credit card. However, the municipal corporation may not set the
processing fee in an amount that exceeds five percent (5%) of the amount being paid.

(4) If a payment by credit card is not honored by the credit card company on which the funds are drawn, the municipal corporation may collect a service charge from the person who owes municipal tax, fee, penalty, interest or other charge. The service charge is in addition to the original municipal tax, fee, penalty, interest or other charge, and is for the collection of that original amount. The amount of the service charge shall be the same amount as the fee charged for the collection of a check drawn on an account with insufficient funds.

(5) Processing fees or service charges collected under this chapter shall be deposited in the general fund of the local governmental unit.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.