

# **WEST VIRGINIA LEGISLATURE**

**2021 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 280**

BY SENATORS TAKUBO, PLYMALE, NELSON, WOELFEL,

JEFFRIES, AND LINDSAY

[Originating in the Committee on Government

Organization; reported on February 17, 2021]



1 A BILL to amend and reenact §12-3A-6 of the Code of West Virginia, 1931, as amended, relating  
2 generally to acceptance of electronic payments by state and local government entities;  
3 providing that costs associated with electronic payments collected by spending units may  
4 be invoiced in a commercially reasonable manner; defining a term; requiring political  
5 subdivisions to accept all payments electronically beginning on a certain date; permitting  
6 the Treasurer to exempt spending units from electronic payment requirement based on  
7 certain criteria; and authorizing legislative rules.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 3A. FINANCIAL ELECTRONIC COMMERCE.**

**§12-3A-6. Receipting of electronic commerce purchases.**

1 (a)(1) The State Treasurer may establish a system for acceptance of credit card and other  
2 payment methods for electronic commerce purchases from spending units. Notwithstanding any  
3 other provision of this code to the contrary, each spending unit, utilizing WEB commerce,  
4 electronic commerce, or other method that offers products or services for sale shall utilize the  
5 State Treasurer's system for acceptance of payments, except as provided in subsection (b) of this  
6 section.

7 (2) Notwithstanding any other provision of code to the contrary, the costs associated with  
8 the acceptance of credit card and other payment methods in the State Treasurer's system for  
9 electronic commerce purchases may be invoiced in a commercially reasonable manner,  
10 according to the legislative rules promulgated pursuant to subsection (f) of this section.

11 (3) For the purposes of this section, "spending unit" has the same meaning provided in  
12 §12-1-2 of this code.

13 (b) A state institution of higher education may receive credit card payments from systems  
14 of acceptance other than that provided by the State Treasurer if:

15 (1) The proposed alternate system is compliant with the payment card industry data  
16 security standards for acceptance of payments, and the institution is proposing to use the  
17 alternate system for the sole purpose of:

18 (A) Processing the payment of academic transcripts; or

19 (B) Accepting payment for applications for admission, if necessary, to participate in a  
20 national or regional program for applications for admission; or

21 (2) The institution certifies that the use of the alternate system will not cause a reduction  
22 in the volume of credit card revenues by more than 10 percent as compared to previous credit  
23 card revenues processed on behalf of the institution during the previous fiscal year and the State  
24 Treasurer consents to the use.

25 (c) To facilitate electronic commerce, the State Treasurer may charge a spending unit for  
26 the banking and other expenses incurred by the Treasurer on behalf of the spending unit and for  
27 any work performed, including, without limitation, assisting in the development of a website and  
28 utilization of the Treasurer's payment gateway. A special revenue account, entitled the  
29 Treasurer's Financial Electronic Commerce Fund, is created in the State Treasury to receive the  
30 amounts charged by the Treasurer. The Treasurer may expend the funds received in the  
31 Treasurer's Financial Electronic Commerce Fund only for the purposes of this article and for other  
32 purposes as determined by the Legislature.

33 (d) The State Treasurer may authorize a spending unit to assess and collect a fee to  
34 recover or pay the cost of accepting bank, charge, check, credit, or debit cards from amounts  
35 collected.

36 (e) On or before March 1, 2023, all political subdivisions shall offer a system, with an online  
37 presence for acceptance of payments, that will allow persons to submit payments to political  
38 subdivisions electronically. Payments that shall be accepted through the required system shall  
39 include, but not be limited to, payments or fees for services provided by the political subdivision  
40 or any fee, fine, penalty, or other monetary payment collected by the political subdivision. Upon

41 written request from a political subdivision, the State Treasurer may provide services of his or her  
42 office to a political subdivision and charge for the services.

43 (f)(1) The State Treasurer shall propose legislative rules for promulgation in accordance  
44 with the provisions of §29A-3-1 *et seq.* of this code to implement the provisions of this section.

45 (2) The State Treasurer is authorized to promulgate legislative rules to establish a system  
46 by which the State Treasurer may exempt a political subdivision from the requirements of  
47 subsection (e) of this section. The rules authorized by this subsection shall include monetary  
48 threshold criteria for granting exemptions, based on the amount of revenue collections and the  
49 operations of the political subdivision applying for an exemption.