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## ***Detailed Fiscal Analysis***

### **Background**

Current law permits a board of county commissioners to adopt a resolution authorizing the acceptance of payments by Financial Transaction Devices (FTDs), which includes credit cards, debit cards, charge cards, and prepaid or stored value cards, to pay expenses owed to a county office that is under a county elected official's authority. The bill changes current law in two ways. First, the bill expands the definition of FTD to include automated clearinghouse network credit, debit, or e-check entry that includes, but is not limited to, accounts receivable and Internet-initiated, point of purchase, and telephone-initiated applications. Second, the bill adds county commissioners to the definition of "county elected official." This would mean that the various departments under the supervision of the county commissioners would then be eligible to use FTDs. County offices such as Animal Control, Economic Development, Aging, Job and Family Services, Public Facilities, Fleet Management, and Human Resources would then be able to use FTD processes for everyday vendor and customer transactions. It would also include county metro parks and county records centers.

### **Fiscal effect**

Current law would seemingly exclude all departments under the direction of a board of county commissioners, and any county park districts, from utilizing FTD payment options. Allowing all county departments to utilize FTD payment options could result in some decreases in financial transaction costs for counties. Expanding the definition of FTD could allow a county to have greater flexibility in selecting the FTD method it uses, which could ultimately lead to greater cost decreases for not only county departments that would receive authority under the bill, but also for county departments that are currently utilizing FTD payment methods under current law.

The cost reductions for each county will depend upon what type of FTD is used, and the number of transactions processed by each county department. Presumably, this option would only be utilized by counties where it is cost effective. If used, it would eliminate paper check processing costs for county offices. As an example, the Butler County Records Center and Metro Parks District wish to purchase equipment to give and receive payments by credit and debit card. This legislation would allow these departments to do so at a lower cost than issuing and receiving paper checks.

*LSC fiscal staff: Terry Steele, Budget Analyst*

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