

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 872

Introduced by Clements, 2.

Read first time January 03, 2024

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to government; to amend sections 13-609 and
- 2 81-118.01, Reissue Revised Statutes of Nebraska; to prohibit payment
- 3 to government entities by means of central bank digital currency; to
- 4 define terms; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-609, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-609 (1)(a) ~~(1)~~ Any county treasurer, county official, or
4 political subdivision official may accept credit cards, charge cards, or
5 debit cards, whether presented in person or electronically, or electronic
6 funds transfers as a method of cash payment of any tax, levy, excise,
7 duty, custom, toll, interest, penalty, fine, license, fee, or assessment
8 of whatever kind or nature, whether general or special, as provided by
9 section 77-1702.

10 (b) A county treasurer, county official, or political subdivision
11 official shall not accept a central bank digital currency as a method of
12 cash payment of any tax, levy, excise, duty, custom, toll, interest,
13 penalty, fine, license, fee, or assessment of whatever kind or nature.

14 (2) The total amount of such taxes, levies, excises, duties,
15 customs, tolls, interest, penalties, fines, licenses, fees, or
16 assessments of whatever kind or nature, whether general or special, paid
17 for by credit card, charge card, debit card, or electronic funds transfer
18 shall be collected by the county treasurer, county official, or political
19 subdivision official.

20 (3) Any political subdivision operating a facility in a proprietary
21 capacity may choose to accept credit cards, charge cards, or debit cards,
22 whether presented in person or electronically, or electronic funds
23 transfers as a means of cash payment and may adjust the price for
24 services to reflect the handling and payment costs.

25 (4) The county treasurer, county official, or political subdivision
26 official shall obtain, for each transaction, authorization for use of any
27 credit card, charge card, or debit card used pursuant to this section
28 from the financial institution, vending service company, credit card or
29 charge card company, or third-party merchant bank providing such service.

30 (5) The types of credit cards, charge cards, or debit cards accepted
31 and the payment services provided shall be determined by the State

1 Treasurer and the Director of Administrative Services with the advice of
2 a committee convened by the State Treasurer and the director. The
3 committee shall consist of the State Treasurer, the Tax Commissioner, the
4 director, and representatives from counties, cities, and other political
5 subdivisions as may be appropriate. The committee shall develop
6 recommendations for the contracting of such services. The State Treasurer
7 and the director shall contract with one or more credit card, charge
8 card, or debit card companies or third-party merchant banks for services
9 on behalf of the state and those counties, cities, and political
10 subdivisions that choose to participate in the state contract for such
11 services. The State Treasurer and the director shall consider, for
12 purposes of this section, any negotiated discount, processing, or
13 transaction fee imposed by a credit card, charge card, or debit card
14 company or third-party merchant bank as an administrative expense.
15 Counties, cities, and other political subdivisions that choose not to
16 participate in the state contract may choose types of credit cards,
17 charge cards, and debit cards and may negotiate and contract
18 independently or collectively as a governmental entity with one or more
19 financial institutions, vending service companies, credit card, charge
20 card, or debit card companies, or third-party merchant banks for the
21 provision of such services. All county officials within each county
22 choosing to accept credit cards, charge cards, and debit cards shall
23 contract for services through the same financial institutions, vending
24 service companies, credit card, charge card, or debit card companies, or
25 third-party merchant banks for the provision of such services. County
26 officials who accept credit cards, charge cards, and debit cards shall
27 notify the county board of such decision and the discount or
28 administrative fees charged for such service.

29 (6) A county treasurer, county official, or political subdivision
30 official authorizing acceptance of credit card or charge card payments
31 shall be authorized but not required to impose a surcharge or convenience

1 fee upon the person making a payment by credit card or charge card so as
2 to wholly or partially offset the amount of any discount or
3 administrative fees charged to the political subdivision, but the
4 surcharge or convenience fee shall not exceed the surcharge or
5 convenience fee imposed by the credit card or charge card companies or
6 third-party merchant banks which have contracted under subsection (5) of
7 this section. The surcharge or convenience fee shall be applied only when
8 allowed by the operating rules and regulations of the credit card or
9 charge card involved or when authorized in writing by the credit card or
10 charge card company involved. When a person elects to make a payment to a
11 political subdivision by credit card or charge card and such a surcharge
12 or convenience fee is imposed, the payment of such surcharge or
13 convenience fee shall be deemed voluntary by such person and shall be in
14 no case refundable. If a payment is made electronically by credit card,
15 charge card, debit card, or electronic funds transfer as part of a system
16 for providing or retrieving information electronically, the county
17 treasurer, county official, or political subdivision official shall be
18 authorized but not required to impose an additional surcharge or
19 convenience fee upon the person making a payment.

20 (7) For purposes of this section: τ

21 (a) Central bank digital currency means a digital medium of
22 exchange, token, or monetary unit of account issued by the United States
23 Federal Reserve System or any analogous federal agency that is made
24 directly available to the consumer by such federal entities. Central bank
25 digital currency includes a digital medium of exchange, token, or
26 monetary unit of account so issued that is processed or validated
27 directly by such federal entities; and

28 (b) Electronic electronic funds transfer means the movement of funds
29 by nonpaper means, usually through a payment system, including, but not
30 limited to, an automated clearinghouse or the Federal Reserve's Fedwire
31 system.

1 Sec. 2. Section 81-118.01, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 81-118.01 (1)(a) ~~(1)~~ Any state official or state agency may accept
4 credit cards, charge cards, or debit cards, whether presented in person
5 or electronically, or electronic funds transfers as a method of cash
6 payment of any tax, levy, excise, duty, custom, toll, interest, penalty,
7 fine, license, fee, or assessment of whatever kind or nature, whether
8 general or special, as provided by section 77-1702.

9 (b) A state official or state agency shall not accept a central bank
10 digital currency as a method of cash payment of any tax, levy, excise,
11 duty, custom, toll, interest, penalty, fine, license, fee, or assessment
12 of whatever kind or nature.

13 (2) The total amount of such taxes, levies, excises, duties,
14 customs, tolls, interest, penalties, fines, licenses, fees, or
15 assessments of whatever kind or nature, whether general or special, paid
16 for by credit card, charge card, debit card, or electronic funds transfer
17 shall be collected by the state official or state agency.

18 (3) Any state official or state agency operating a facility in a
19 proprietary capacity may choose to accept credit cards, charge cards, or
20 debit cards, whether presented in person or electronically, or electronic
21 funds transfers as a means of cash payment, and may adjust the price for
22 services to reflect the handling and payment costs.

23 (4) The state official or state agency shall obtain, for each
24 transaction, authorization for use of any credit card, charge card, or
25 debit card used pursuant to this section from the financial institution,
26 vending service company, credit card or charge card company, or third-
27 party merchant bank providing such service.

28 (5) The types of credit cards, charge cards, or debit cards accepted
29 and the payment services provided for any state official or state agency
30 shall be determined by the State Treasurer and the Director of
31 Administrative Services with the advice of the committee convened

1 pursuant to subsection (5) of section 13-609. The State Treasurer and the
2 director shall contract with one or more credit card, charge card, or
3 debit card companies or third-party merchant banks for services on behalf
4 of the state and those counties, cities, and political subdivisions that
5 choose to participate in the state contract for such services. Any
6 negotiated discount, processing, or transaction fee imposed by a credit
7 card, charge card, or debit card company or third-party merchant bank
8 shall be considered, for purposes of this section, as an administrative
9 expense.

10 (6) A state official or state agency obtaining, for each
11 transaction, authorization for use of any credit card or charge card used
12 pursuant to this section may, but is not required to, impose a surcharge
13 or convenience fee upon the person making a payment by credit card or
14 charge card so as to wholly or partially offset the amount of any
15 discount or administrative fees charged to the state agency, but the
16 surcharge or convenience fee shall not exceed the surcharge or
17 convenience fee imposed by the credit card or charge card companies or
18 third-party merchant banks which have contracted under subsection (5) of
19 this section. The surcharge or convenience fee shall be applied only when
20 allowed by the operating rules and regulations of the credit card or
21 charge card involved or when authorized in writing by the credit card or
22 charge card company involved. When a person elects to make a payment to a
23 state agency by credit card or charge card and such a surcharge or
24 convenience fee is imposed, the payment of such surcharge or convenience
25 fee shall be deemed voluntary by such person and shall be in no case
26 refundable. If a payment is made electronically by credit card, charge
27 card, debit card, or electronic funds transfer as part of a system for
28 providing or retrieving information electronically, the state official or
29 state agency shall be authorized but not required to impose an additional
30 surcharge or convenience fee upon the person making a payment.

31 (7) For purposes of this section: 7

1 (a) Central bank digital currency means a digital medium of
2 exchange, token, or monetary unit of account issued by the United States
3 Federal Reserve System or any analogous federal agency that is made
4 directly available to the consumer by such federal entities. Central bank
5 digital currency includes a digital medium of exchange, token, or
6 monetary unit of account so issued that is processed or validated
7 directly by such federal entities; and

8 (b) Electronic ~~electronic~~ funds transfer means the movement of funds
9 by nonpaper means, usually through a payment system, including, but not
10 limited to, an automated clearinghouse or the Federal Reserve's Fedwire
11 system.

12 Sec. 3. Original sections 13-609 and 81-118.01, Reissue Revised
13 Statutes of Nebraska, are repealed.