



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 188
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

Date Completed: 2-15-95

SUMMARY OF SENATE BILL 188 as introduced 2-1-95:

The bill would create a new act to allow the Secretary of State to accept a credit card, in lieu of cash, check, or money order, as payment of a tax, fee, price, or charge required under any act or rule administered by the Secretary of State or under which the Secretary of State is responsible for collecting payments. The Secretary of State would have to determine which major credit cards could be accepted, and could accept credit card numbers by telephone as payment of a tax, fee, price, or charge.

Legislative Analyst: P. Affholter

FISCAL IMPACT

Currently, the Department accepts credit cards for mail-in renewals. In FY 1993-94, 21% of vehicle registrations were through the mail and 8.6% of those mail-in registrations used charge cards. The current cost incurred by the State is a 2.04% service charge. As the use of credit cards expands, it is possible to obtain a reduced charge. The rate charged across the industry is 1.8% to 2.3%. Fiscal year 1993-94 costs to the Department for credit card service charges were \$202,000.

Fiscal Analyst: B. Bowerman

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