

105TH CONGRESS
1ST SESSION

H. R. 883

To amend the Truth in Lending Act to simplify credit card payments to governments.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1997

Mr. MORAN of Virginia (for himself, Mr. GOODLATTE, Mr. DAVIS of Virginia, Mr. FRANK of Massachusetts, Mr. GEJDENSON, and Mr. SERRANO) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Truth in Lending Act to simplify credit card payments to governments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Government Credit
5 Card Reform Act”.

1 **SEC. 2. SIMPLIFYING CREDIT CARD PAYMENTS TO GOV-**
2 **ERNMENTAL ENTITIES.**

3 (a) IN GENERAL.—Chapter 4 of the Truth in Lend-
4 ing Act (15 U.S.C. 1666 et seq.) is amended by adding
5 at the end the following new section:

6 **“SEC. 172. ACCEPTANCE OF CREDIT CARDS BY GOVERN-**
7 **MENTAL ENTITIES.**

8 “(a) PROHIBITION ON LIMITING ABILITY TO IMPOSE
9 FEES.—An association in which membership, or from
10 which a license of any nature, is required as a condition
11 of entering into agreements with merchants to honor cred-
12 it cards issued by persons as members of the association
13 shall not require any member or licensee of the association
14 to prohibit or otherwise limit the ability of any govern-
15 mental entity to impose on the user of such a credit card
16 a fee for acceptance of payment by means of the credit
17 card.

18 “(b) LIMITATION ON AMOUNT OF FEES.—No fee for
19 acceptance of payment by means of a credit card may be
20 imposed by a governmental entity, if the amount of the
21 fee exceeds an amount that is reasonably calculated to
22 compensate the entity imposing the fee for any fees im-
23 posed on the entity by a third party in connection with
24 the processing or settlement of such payments.

25 “(c) LIMITATION ON PAYMENTS FOR WHICH FEE
26 MAY BE IMPOSED.—No fee for the acceptance of payment

1 by means of a credit card may be imposed by a govern-
2 mental entity, other than for acceptance of payment of—

3 “(1) a tax;

4 “(2) a fine or other criminal or civil penalty;

5 “(3) a motor vehicle or other registration fee;

6 or

7 “(4) a fee charged for the performance of any
8 function customarily provided by governmental enti-
9 ties.

10 “(d) DISCLOSURE REQUIRED.—

11 “(1) IN GENERAL.—Before the imposition of a
12 fee by a governmental entity for acceptance of pay-
13 ment by means of a credit card, the governmental
14 entity imposing the fee shall disclose to the person
15 making the payment the amount of the fee or the
16 method by which it will be calculated.

17 “(2) MEANS OF DISCLOSURE.—The disclosure
18 may be made by any means which the governmental
19 entity imposing the fee determines to be reasonable
20 in the circumstances, including orally.

21 “(e) LIMITATION ON FEES FOR PROCESSING OR SET-
22 TLING PAYMENT BY CREDIT CARD.—A person shall not
23 impose a fee for the processing or settlement of a payment
24 to a governmental entity made by means of a credit card
25 that exceeds the amount of any fee the person imposes

1 for that processing or settlement of a payment to a person
2 that is not a governmental entity.

3 “(f) GOVERNMENTAL ENTITY DEFINED.—In this
4 section, the term ‘governmental entity’ means—

5 “(1) the United States Government; and

6 “(2) any State or political subdivision of a
7 State.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for chapter 4 of the Truth in Lending Act is amended
10 by adding at the end the following new item:

“172. Acceptance of credit cards by governmental entities.”.

