

# County Council of Cuyahoga County, Ohio

## Ordinance No. O2014-0025

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| Sponsored by: <b>County Executive FitzGerald/Department of Law</b> | <b>An Ordinance</b> enacting Chapter 718 of the Cuyahoga County Code to enact the Cuyahoga County Financial Transaction Modernization Act governing the use of financial transaction devices by County entities for payment of County expenses, and declaring the necessity that this Ordinance become immediately effective. |
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WHEREAS, it is necessary for the County to establish the laws governing the use of financial transaction devices by County entities for the payment of County expenses; and

WHEREAS, it is necessary that this Ordinance become immediately effective in order that critical services provided by Cuyahoga County can continue.

**NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:**

**SECTION 1.** Chapter 718 of the Cuyahoga County Code is hereby enacted to read as follows:

### **Chapter 718: Payments by Financial Transaction Device**

#### **Section 718.01: Definitions**

As used in Chapter 718 of the Cuyahoga County Code:

- A. "County Entity" or "County entity" includes the County and any County office, officer, official, department, agency, court, board, commission, committee, organization, corporation, or any other County Entity established by or pursuant to the Charter of Cuyahoga County, the Ohio Constitution, or Ohio law.
- B. "County Expense" or "County expense" shall be interpreted broadly, and it shall include, without limitation, any and all fees, costs, taxes, assessments, fines, penalties, payments, or any other expense owed to or collected by any County entity. "County expense" includes payment to a County entity of money confiscated during the commitment of an individual to a County jail, of bail, of money for an inmate account, and

of money for goods and services obtained by or for the use of an individual incarcerated by the Sheriff.

- C. "Financial Transaction Device", "Financial transaction device", or "financial transaction device" includes credit card, debit card, charge card, prepaid or stored value cards, 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 or any other device or method for making an electronic payment or transfer of funds.
- D. "Financial Transaction Provider", "Financial transaction provider", or "financial transaction provider" includes a financial institution, issuer of financial transaction devices, or processor of financial transaction devices to accept, take, and/or process a financial transaction device.
- E. "Associated fee" or "associated fee" includes, without limitation, any nonrefundable surcharge, nonrefundable convenience or other fee, or any other refundable or nonrefundable fee that is assessed by a County entity or a financial transaction provider in connection with the processing of a County expense by financial transaction device.

#### **Section 718.02: Payment of County Expenses by Financial Transaction Devices**

- A. County entities are authorized to accept and require payment for County expenses by financial transaction devices and may impose associated fees to be paid either directly to the County entity or the financial transaction provider. County entities shall, as practicable, coordinate their use of financial transaction devices with the Fiscal Officer to avoid duplication of services.
- B. Every County entity accepting or otherwise mandating payment by a financial transaction device shall clearly post a schedule of its fees, including any associated fees, in the County entity's office and on its web site. If the associated fees are non-refundable, the posting shall include a notice that the associated fees are non-refundable. County entities need not provide additional notice to the County of their intent to accept or require payment by financial transaction devices.

#### **Section 718.03: Dishonored or Returned Payments**

- A. In the event that a payment is made by a financial transaction device and the payment is returned or dishonored for any reason, the payer shall be liable to the County Entity for payment of a penalty in an amount necessary to reimburse the County entity for banking charges, legal fees,

or other expenses incurred by the County entity in collecting the returned or dishonored payment.

- B. No person making any payment by financial transaction device to a County entity shall be relieved from liability for the underlying obligation except to the extent that the County entity realizes final payment of the underlying obligation in cash or its equivalent. If final payment is not made by the financial transaction device issuer or other guarantor of payment in the transaction, the underlying obligation shall survive and the County entities shall retain all remedies for enforcement that would have applied if the transaction had not occurred.
- C. The remedies and procedures provided in this section are in addition to any other available civil or criminal remedies provided by law.

#### **Section 718.04: Contracts with Financial Transaction Providers**

All contracts or agreements with financial transaction providers pursuant to this Chapter shall be reviewed and approved by the appropriate approval authority depending on the monetary threshold of each such contract or agreement in accordance with Chapter 501 of the Cuyahoga County Code. This section may not be interpreted to require additional approval of any existing contracts or agreements for the payment of County expenses by financial transaction devices, including any associated fees thereunder, which are hereby retroactively ratified.

#### **Section 718.05: Immunity of County Officials and Employees**

A County official or employee who accepts or otherwise mandates a financial transaction device payment in accordance with this Chapter, court order, or Ohio law shall be immune from personal liability and shall be entitled to defense by the Law Department.

**SECTION 2.** It is necessary that this Ordinance become immediately effective for the usual daily operation of the County; the preservation of public peace, health or safety of the County; and any additional reasons set forth in the preamble. Provided that this Ordinance receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

