§ 5. Payment of fines, civil penalties, rent, rates, taxes, fees, charges and other amounts by credit card. (a) The following terms, when used or referred to in this section, shall have the following meaning:

1. "Credit card" means any credit card, credit plate, charge card, charge plate, courtesy card, debit card, other identification card, value transfer device as defined by the state comptroller or device issued by a person to another person which may be used to obtain a cash advance or a loan or credit, or to purchase or lease property or services on the credit of the person issuing the credit card or a person who has agreed with the issuer to pay obligations arising from the use of a credit card issued to another person.

1-a. "Card issuer" means an issuer of a credit card, charge card or other value transfer device.

2. "Financing agency" means any agency defined as such in subdivision eighteen of section four hundred one of the personal property law.

3. "Person" means an individual, partnership, corporation or any other legal or commercial entity.

(b) The governing board of any local government, as that term is defined in section ten of this article, may, by local law, ordinance or resolution, determine that it is in the public interest and authorize such local government to enter into agreements with one or more financing agencies or card issuers to provide for the acceptance, by such officers of the local government as may be designated pursuant to subdivision (f) of this section, of credit cards as a means of payment of fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations or other amounts, including penalties, special assessments and interest, owed to the local government. Any such agreement shall govern the terms and conditions upon which a credit card proffered as a means of payment of a fine, civil penalty, rent, rate, tax, fee, charge, revenue, financial obligation or other amount, including penalty, special assessment or interest, shall be accepted or declined and the manner in and conditions upon which the financing agency or card issuer shall pay to such local government the amount of

fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations or other amounts, including penalty, special assessment or interest, paid by means of a credit card pursuant to such agreement. Any such agreement may provide for the payment by such local government to such financing agency or card issuer of fees for the services provided by such financing agency or card issuer pursuant to such agreement, which fees may consist of a discount deducted from or payable in respect of the amount of each such fine, civil penalty, rent, rate, tax, fee, charge, revenue, financial obligation or other amount, including penalty, special assessment or interest. If fees are paid by such a discount, they shall be post-audited by the officer or board of the local government responsible for auditing claims against the local government.

(c) Any local government which has entered into an agreement with a financing agency or card issuer as authorized by the provisions of subdivision (b) of this section may accept credit cards as a means of payment of fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations or other amounts, including penalties, special assessment or interest, as provided in such agreement and may pay such fees as are specified in such agreement to such financing agency or card issuer in consideration of the services rendered by such financing agency or card issuer thereunder. Notwithstanding any other provision of law to the contrary, it shall be the option of the governing board of the local government to require, as a condition of accepting payment by credit card, that such person offering payment by credit or charge card pay a service fee to the local government not exceeding costs incurred by the local government in connection with the credit or charge card payment transaction, including any fee owed by the local government to the financing agency or card issuer arising from that transaction.

(d) Contracts entered into pursuant to this section between local government and financing agencies or card issuers shall be awarded in accordance with the local government's written internal policies and procedures governing procurements adopted pursuant to section one hundred four-b of this chapter.

(e) The underlying debt, lien, obligation, bill, account or other amount owed to the local government for which payment by credit card is

accepted by the local government shall not be expunged, cancelled, released, discharged or satisfied, and any receipt or other evidence of payment shall be deemed conditional, until the local government has received final and unconditional payment of the full amount due from the financing agency or card issuer for such credit card transaction.

(f) The governing board, in enacting a local law, ordinance or resolution pursuant to this section, shall designate which of its officers, charged with the duty of collecting or receiving moneys on behalf of the local government, shall be authorized to accept credit cards as a means of payment of fines, taxes, rent, rates, fees, charges, revenue, financial obligations and other amounts, including penalties, special assessments or interest.

(g) Under circumstances where local governments are otherwise authorized by law to contract for the collection of fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations or other amounts, including penalties, special assessments or interest, such contract shall provide that the contractor accept credit cards as a mechanism for payment.