

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: CS/SB 1612

INTRODUCER: Governmental Oversight and Accountability Committee and Senator DiCeglie

SUBJECT: Electronic Payments to Local Governments

DATE: February 12, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Tolmich</u>	<u>Fleming</u>	<u>CA</u>	Favorable
2.	<u>White</u>	<u>McVaney</u>	<u>GO</u>	Fav/CS
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1612 amends s. 215.322, F.S., to require each unit of local government¹ to accept payments by use of credit cards, charge cards, bank debit cards, and electronic fund transfers for financial obligations owed to the local government. Currently, local governments and certain subdivisions thereof are authorized, but not required, to accept payments by use of credit cards, charge cards, bank debit cards, and electronic fund transfers for financial obligations that are owing to such unit of local government. The bill additionally requires the local governments to have an online method to accept payments.

The bill has a finding and declaration of important state interest.

The bill may require local governments to expend funds to make necessary technological updates and to maintain required websites.

The bill takes effect January 1, 2027.

¹ A unit of local government includes a municipality, special district, or board of county commissioners or other governing body of a county, a consolidated or metropolitan government, and any clerk of the circuit court, sheriff, property appraiser, tax collector, or supervisor of elections.

II. Present Situation:

Electronic Payments to Governments

Current law encourages state agencies, the judicial branch, and units of local government to make their goods, services, and information more convenient to the public through the acceptance of electronic payments to the maximum extent practicable when the benefits outweigh the costs of accepting such payments.²

Local governments may accept payment by credit card, charge card, bank debit card, or electronic fund transfer for financial obligations that are owed to the local government.³ Local governments in this instance include, but are not limited to:

- Municipalities;
- Special districts;
- Boards of county commissioners or other governing bodies of a county;
- Consolidated or metropolitan governments;
- Clerks of the circuit court;
- Sheriffs;
- Property appraisers;
- Tax collectors; and
- Supervisors of elections.

If electronic payment is used for taxes, license fees, tuition, fines, civil penalties, court-ordered payments, or court costs, or other statutorily prescribed revenues, a local government may add a surcharge to the payment sufficient to cover the service fee charged by the financial institution, vending service company, or credit card company. The local government is responsible for verifying the validity of the method of payment used and whether the person using the card or transfer has sufficient credit to complete the transaction.⁴

The modernization of government financial transactions has taken place around the world in an attempt to address the inefficiencies and security risks associated with paper-based payments.⁵ On March 25, 2025, President Trump signed Executive Order 14247, *Modernizing Payments To and From America's Bank Account*, to direct the U.S. Department of the Treasury to advance the transition to fully electronic federal payments.⁶ The policy included the phase-out of paper tax refunds to the extent permitted by law.⁷ The Treasury Department estimates that each paper check costs \$1.05 to process, whereas electronic payments costs just \$0.02 per transaction, resulting in millions in annual savings.⁸

² Section 215.322(1), F.S.

³ Section 215.322(5), F.S.

⁴ *Id.*

⁵ Steve Ostroff, *Accelerating Digital Payments in Government* (Apr. 2, 2025), CATALIS, available at <https://catalisgov.com/accelerating-digital-payments-in-government/> (last visited Jan. 26, 2026).

⁶ IRS, *Modernizing payments to and from America's bank account*, available at <https://www.irs.gov/newsroom/modernizing-payments-to-and-from-americas-bank-account> (last visited Jan. 26, 2026).

⁷ *Id.*

⁸ Ostroff, *supra* note 5.

III. Effect of Proposed Changes:

Section 1 amends s. 215.322, F.S., to require each unit of local government⁹ to accept payments by use of credit cards, charge cards, bank debit cards, and electronic fund transfers for financial obligations owed to the local government; the local governments must also maintain an online method (website) to accept these payments. The bill provides an exception to this requirement where another form of payment is required by law.

Section 1 also updates the legislative intent of s. 215.322, F.S., to reflect the rest of the bill. This revised language provides that units of local governments are *required* to make their goods, services, and information more convenient to the public through acceptance of payments by use of credit cards, charge cards, bank debit cards, and electronic fund transfers; and are required to have an online method (website) to accept such payments. The bill also strikes the legislative intent for state and local government to only accept such payments “to the maximum extent practicable when the benefits to the participating agency and the public substantiate the cost of accepting these types of payments.”

Section 2 provides that the Legislature finds and declares the bill fulfills an important state interest.

Section 3 provides that the bill takes effect January 1, 2027.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, section 18(a) of the State Constitution provides, in relevant part, that a county or municipality may not be bound by a general law requiring a county or municipality to spend funds or take an action that requires the expenditure of funds unless certain specified exemptions or exceptions are met. If the bill does not meet an exemption or exception, in order to be binding upon cities and counties, the bill must contain a finding of important state interest and be approved by a two-thirds vote of the membership of each chamber.

To accept electronic payments, counties and municipalities may have to expend funds to update their technology to be able to accept electronic payments. Counties and municipalities are further required to expend funds to maintain an online method (website) capable of accepting electronic payments. The bill requires counties and municipalities to accept electronic payments in all instances; counties and municipalities are still authorized to surcharge service fee costs for electronic payments made for any reason other than payment of taxes, license fees, tuition, fines, civil penalties, court-ordered payments, or court costs, or other statutorily prescribed revenues. Counties and municipalities will be required to absorb costs for service fees for electronic payments that must be accepted in those circumstances the local governments are not authorized to

⁹ A unit of local government includes a municipality, special district, or board of county commissioners or other governing body of a county, a consolidated or metropolitan government, and any clerk of the circuit court, sheriff, property appraiser, tax collector, or supervisor of elections.

surcharge the payor. The bill, therefore, may require counties and municipalities to expend funds.

The bill may qualify for an exemption, meaning it needs neither a two-thirds vote nor a finding of important state interest to be binding. The bill may be exempted if it has an insignificant fiscal impact, which for Fiscal Year 2026-2027 is forecast at approximately \$2.4 million.¹⁰ The estimated costs for the bill are unknown at this time. If the costs imposed by the bill exceed \$2.4 million in the aggregate, the mandates provisions may apply.

If the bill exceeds \$2.4 million in the aggregate, it may need a finding of important state interest and approval by a two-thirds vote of the membership of each chamber in order to be binding on counties and municipalities. The bill currently contains a finding of important state interest.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None identified.

B. Private Sector Impact:

None identified.

¹⁰ FLA. CONST. art. VII, s. 18(d). An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Nov. 3, 2025). Based on the Florida Demographic Estimating Conference's June 30, 2025, population forecast for 2026 of 23,681,366. Office of Economic and Demographic Research, Demographic Estimating Conference Executive Summary June 30, 2025, available at <https://www.edr.state.fl.us/Content/conferences/population/demographicsummary.pdf> (last visited Nov. 3, 2025).

C. Government Sector Impact:

Local governments that do not already accept electronic payments may incur initial administrative and technology costs to establish such systems. Local governments that do not currently have an online platform that can accept electronic payments may additionally incur ongoing costs to establish and upkeep a website able to process electronic fees.

Current law protects local governments from incurring additional processing charges for certain payments; this cost is placed on the payor. The local government can recoup any funds for service charges on payment of taxes, licensing fees, tuition, fines, civil penalties, court-order payments, or court costs, or other statutorily prescribed revenue. Outside these instances, however, local governments and subdivisions thereof cannot surcharge a payor to cover service fees. Under the bill, the local governments are required to accept electronic payments in *all* instances, not just those where the local government is permitted to surcharge. Local governments and subdivisions thereof will incur costs of service fees for electronic payments of obligations other than taxes, licensing fees, tuition, fines, civil penalties, court-order payments, or court costs, or other statutorily prescribed revenue.

VI. Technical Deficiencies:

None identified.

VII. Related Issues:

Local governments and subdivisions thereof must surcharge a sufficient amount to pay any service fee charges incurred for electronic payments of taxes, licensing fees, tuition, fines, civil penalties, court-order payments, or court costs, or other statutorily prescribed revenue. Local governments and subdivisions thereof are not, however, permitted to charge a surcharge in any other instances. The Legislature may wish to permit local governments and subdivisions thereof to make such a surcharge in all instances in which the local government and subdivision thereof accept electronic payments.

VIII. Statutes Affected:

This bill substantially amends section 215.322 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Governmental Oversight and Accountability on February 11, 2026:

- Updates the statute's legislative intent language to better align with the bill by
 - Striking certain language; and
 - Providing explicitly that the Legislature intends to require units of local government to accept online payments.

- Clarifies that units of local government must accept electronic payments in all instances, not just online, but still requires units of local government to have an online platform available to accept electronic payments;
- Creates an exception where other law requires the unit of local government to accept another form of payment;
- Authorizes, but no longer requires, local governments to surcharge an amount sufficient to pay for service fee charges (this aligns with the current statute);
- Provides a finding and declaration of an important state interest; and
- Delays the effective date to January 1, 2027.

B. Amendments:

None.