

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: SB 1612

INTRODUCER: Senator DiCeglie

SUBJECT: Electronic Payments to Local Governments

DATE: February 10, 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>	Pre-meeting
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 1612 amends s. 215.322, F.S., to require each unit of local government¹ and each department, subagency, and division of such units of local government to accept electronic payment online by use of credit cards, charge cards, bank debit cards, and electronic fund transfers for payments received by and 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 and subdivisions thereof to surcharge the payor using a credit card, charge card, bank debt card, or electronic funds transfer for certain payments. Currently, local governments are authorized, but not required, to surcharge payors in these instances.

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

The bill takes effect July 1, 2026.

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

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.

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

III. Effect of Proposed Changes:

The bill amends s. 215.322, F.S., to require each unit of local government⁹ and each department, subagency, and division of such units of local government, to accept electronic payments online

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.

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.

by use of credit cards, charge cards, bank debit cards, and electronic fund transfers for payments received by and financial obligations owed to the local government.

Local governments and units thereof will have to maintain a website to accept these payments online.

Additionally, these local government units *must* charge the person providing the electronic payment a surcharge sufficient to pay any service fee charges if the person is paying taxes, licensing fees, tuition, fines, civil penalties, court-order payments, or court costs, or other statutorily prescribed revenue.¹⁰

The bill takes effect July 1, 2026.

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 may further be required to expend funds to maintain a website capable of accepting electronic payments. Moreover, counties and municipalities may have to absorb 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. 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.¹¹ The estimated costs for the bill are unknown at this time. If the costs

¹⁰ Current language “authorize[s]” local governments and subdivisions thereof to charge the payor such surcharge but does not *require* the governmental unit to do so.

¹¹ 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).

imposed by the bill exceed \$2.4 million in the aggregate, the mandates provisions may apply.

The bill currently does not contain 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.

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:

At line 32, the bill specifies that local governments must accept “electronic payment *online*” (emphasis added). This appears to limit the instances in which local governments must accept electronic forms of payment solely to online transactions, not transactions over the phone or in person. Additionally, the changes to existing statutory language in s. 215.322, F.S., take away units of local governments’ authority to accept electronic payment outside of online instances. The Legislature may wish to provide that units of local government must accept electronic payments “both online and in person” at line 32.

The Legislature should make two non-substantive, grammatical changes: at line 34, “owing” to “owed;” and at line 35, “to surcharge” to “surcharge.”

VII. Related Issues:

In response to a similar bill this session, which would require public bodies to accept electronic payment methods for public records fees, the Florida Department of Law Enforcement stated it could take up to 14 months to update its technology to allow for electronic payments and recommended the Legislature push back the effective date of that bill. To provide local governments time to update their systems, the Legislature may wish to change the effective date of this bill to January 1, 2027.

The bill currently does not contain a finding of important state interest. If the bill imposes an unfunded mandate on local governments, the lack of a finding may render it vulnerable under article VII, section 18(a) of the State Constitution.¹² The Legislature may wish to add a section providing an important state interest to ensure compliance with constitutional requirements.

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.

¹² See *supra* “Constitutional Issues: A. Municipality/County Mandates Restrictions.”

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
