

Topic: Transactional Fees for Online Filings

Question by: Corbett Webb

Jurisdiction: Maryland

Date: May 29, 2020

Jurisdiction	Question(s)
	<p>If your state has an online payment system, I was hoping you could send around a brief description of your payment model, whether the costs are paid for by your agency or the customer, and whether your system is developed in-house or with a vendor.</p> <p>In Maryland, our Charter and UCC services are available online, and the vendor that developed and maintains our system follows a "fee for service" model, where the agency doesn't pay for any development or maintenance costs, but a 3% transaction fee is included with each transaction, which goes to the vendor. Years ago, for some reason it was decided that customers will pay the 3% for all Charter transactions, but the agency will pay the 3% for UCC filings. We're considering changing that payment structure in some way but are curious how it compares to what other states utilize.</p>
<b>Manitoba</b>	
<b>Corporations Canada</b>	
<b>Alabama</b>	
<b>Alaska</b>	
<b>Arizona</b>	
<b>Arkansas</b>	
<b>California</b>	
<b>Colorado</b>	
<b>Connecticut</b>	<p>Connecticut has one credit card payment processing contract for all state agencies to use, with Global Payments out of Georgia, who subcontracts with PayPal to provide online credit card processing. We do not charge convenience fees. The processing fees are paid by the state. I agree with Iowa, that convenience fees just encourage people to send you paper.</p>
<b>Delaware</b>	
<b>District of Columbia</b>	
<b>Florida</b>	

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<b>Georgia</b>	
<b>Hawaii</b>	
<b>Idaho</b>	
<b>Illinois</b>	
<b>Indiana</b>	<p>Indiana's payment processor is Value Payment System. They are associated to World Pay.</p> <p>The fees are \$1.00 or 2.25% whichever is greater. We have a shopping cart feature so the fees vary depending on what you are checking out with.</p> <p>Our online fees are made up of the statutory fee, enhanced access fee and the credit card fee. Customers are responsible for paying all three. The statutory fee goes to the general fund, the enhanced access goes to the SOS technology fund and the credit card fee to VPS. The enhanced access fees are used to pay for SOS system development and maintenance of current systems. This allows us to be self-funding for much of our IT work. We did go to the legislature when we developed INBiz (one stop) because that project was so big and involved multiple agencies.</p> <p>Our total online filing fee is less than filing by paper. The amount varies depending on the transaction type. The biggest differential on fees is for business entity reports in order to really encourage online filings.</p> <p>PCC, a GCR Company is our vendor. The fees we generate for filings do not directly pay our vendor for development. PCC offers self-funded or software as a service, but we did not choose those payment options.</p>
<b>Iowa</b>	<p>In Iowa, the transaction fees are paid by the agency (no additional fee).</p> <p>In one case (biennial reports), our agency is able to deduct the transaction fees (up to \$5) for credit card transactions. Twenty years ago when we were first bringing credit card payments to our biennial reports online, we were presented the option of charging a convenience fee to customers. I remember my boss at the time said "Well, whose convenience is it? It's ours. We want them to file online!?. To this day, our biennial report fees are cheaper online than by paper.</p>

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<b>Kansas</b>	
<b>Kentucky</b>	
<b>Louisiana</b>	<p>We do not have our own online payment system; payments are sent to a secure, third-party vendor, in order to meet PCI and Federal security standards. We pay that vendor monthly fees based on the number of transactions processed daily during that billing month for Visa, Mastercard, American Express and Discover. There are also other charges included in the monthly billing.</p> <p>The State of Louisiana passed a law several years ago which allowed each agency to set it's own fees to charge customers to offset these costs, but did put a cap of \$5 per transaction. Our agency chose to charge the full \$5 per transaction. (*Exception: We offer bulk filings for UCC customers which have met the proper criteria. The credit card fee in these bulk UCC filings are charged \$5 for the first filing in a bulk submission and \$1 per filing in that submission after the first.) *</p>
<b>Maine</b>	
<b>Maryland</b>	
<b>Massachusetts</b>	
<b>Michigan</b>	
<b>Minnesota</b>	
<b>Mississippi</b>	<p>MS does have an online payment system. This process is handled by a vendor. The customers are charged a convenience fee according to the credit card used to process the payment. ALL major credit cards are accepted.</p> <p>ACH is also available for customers who have requested this payment service option.</p>
<b>Missouri</b>	
<b>Montana</b>	<p>Montana is the same as Georgia for the most part, and we absorb the fees, but, we are also all online for UCC, Notary and Business, so we don't give the option to file by paper.</p>
<b>Nebraska</b>	

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<b>Nevada</b>	
<b>New Hampshire</b>	
<b>New Jersey</b>	
<b>New Mexico</b>	
<b>New York</b>	
<b>North Carolina</b>	<p>I am not directly involved in the payment portion of our processes, but North Carolina uses an online payment system model which was written in-house. The customer pays a \$2.00 electronic transaction fee for any filing done online and is collected by our agency through our gateway. Paypal and the settlement bank are paid by our agency. The \$2.00 per transaction is collected from our customer to cover those Paypal and banking fees.</p>
<b>North Dakota</b>	
<b>Ohio</b>	
<b>Oklahoma</b>	
<b>Oregon</b>	
<b>Pennsylvania</b>	
<b>Rhode Island</b>	
<b>South Carolina</b>	
<b>South Dakota</b>	
<b>Tennessee</b>	
<b>Texas</b>	

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Utah	
Vermont	
Virginia	
Washington	
West Virginia	
Wisconsin	
Wyoming	

**Additional comments:**

**Full text of email:**

Good morning everyone and happy Friday!

If your state has an online payment system, I was hoping you could send around a brief description of your payment model, whether the costs are paid for by your agency or the customer, and whether your system is developed in-house or with a vendor.

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Thanks in advance for any information you can provide!

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[image: Changing Maryland for the Better] \*Corbett Webb\* Associate Director Dept. of Assessments & Taxation  
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