

Paying with plastic making its way to municipal bills

By Morgan Wesson, correspondent
Daily Messenger
Tue Jul 29, 2008, 11:13 AM EDT

Bloomfield, N.Y. -

You can pay your phone bill, college tuition and your co-pay at the doctor's office with a credit card.

Now, local government will take plastic, too. The Bloomfield Village Board is the latest municipality to let people start paying water and sewer bills with a credit card. If all goes well, taxes and fees may be next.

Bloomfield hired Nationwide Payment Solutions, the same company the town of Victor has contracted with to handle credit card payments.

By October, Victor will take plastic for taxes, fees, licenses, utility bills — most any municipal bill.

“People want to use plastic to pay bills,” said Mike Dollard, Victor's finance director. “It is inexpensive to the taxpayer and extremely convenient.”

Paying towns and villages with credit cards is not new, but it is controversial due transaction fees the vendor pays. Stores absorb it as the cost of doing business or mark up their products; governments, though, don't want to give up revenue to the credit card company.

Nationwide's system, however, adds the transaction fee to the credit card user's charge.

“This is giving the consumer the option to use their credit card,” said Robert McLean, the Pittsford-based account manager for Nationwide Payment Solutions. Nationwide, a credit card payment processor, handles \$9 billion dollars in credit charges a year, he said.

“Consumers are demanding it. The program helps municipalities provide that option,” McLean said.

Victor residents can currently use credit cards in Town Court and for recreation program charges. In a few months, Victor will take credit cards for nearly all bills. Until it signed up with Nationwide, Victor paid all transaction fees.

“Most companies charge 25 cents per transaction and a percentage after that,” said Dollard. “Debit cards are \$1.48 and credit cards charge, depending on the company, it can be 3 to 4 percent.”

The transaction fees added \$500 to \$700 monthly to court costs and \$200 per month to the recreation department budget.

Under the new payment service, Nationwide charges consumers the fee instead. People paying bills will have to pay a little extra, and Victor taxpayers will no longer be subsidizing others’ use of credit cards.

“Nationwide is the only one with this program,” said Dollard. The new system works like this: “Say you want a \$50 hunting license: It’s \$50 to the town of Victor and \$1.20 to Nationwide. It (\$1.20 transaction fee) will be on a consumer’s statement.”

In Bloomfield, Village Clerk Kathy Conradt said she had been getting half a dozen requests for credit card payment options each year.

“I think it might make it easier for more folks to pay (on time) who wouldn’t ordinarily. I’m hoping it will improve our cash flow,” she said. “We want to try it for the end of September water and sewer bills.”

Conradt thinks allowing plastic transactions removes roadblocks to paying a municipal bill.

“You’re just offering a service to the public. It’s up to them if they want to do it,” said Conradt.

“We need to run like a business. Government has got to deliver this service,” said Victor’s Dollard.

Nationwide’s credit card billing service for governments so far only accepts Master Card, American Express and Discover cards. Visa does not participate yet.

Contact Morgan Wesson at (585) 394-0770, ext. 256, or at messenger@messengerpostnewspapers.com.

<http://www.mpnnow.com/news/x1346894484/Paying-with-plastic-making-its-way-to-municipal-bills>