



BEFORE THE 2013 JUDICIAL COUNCIL OF GUAM

RESOLUTION NO. JC13-015

**RELATIVE TO APPROVING the PASS-THROUGH OF MERCHANT BILLING FEES
PURSUANT TO P.L. 30-196:V(e)(11)**

WHEREAS, in Public Law 30-196, Chapter V section e (11), the Guam Legislature recognized the benefit of accepting various modes of payment from members of the public who have financial obligations to the government of Guam, but at the same time recognized that accepting various modes of payment would present an additional cost to the government. The Legislature stated that “fees incurred in the use of [credit cards and debit cards] represent a convenience to the payer and accordingly shall not be a burden to the government of Guam.” The law permitted the government of Guam to contract with third parties to contract with banking institutions to accept credit card payments but to “remit the full value of the liability owed by the payer to the government of Guam.” In this way, the Guam Legislature allowed any fee charged by third-party banking or lending institutions to be passed on to the payer of the obligation. The Guam Legislature extended the deadline for de-appropriating such fees to April 1, 2011, in Public Law 30-224; and

WHEREAS, the Judiciary of Guam has been accepting credit cards for its transactions since April 1997 as a part of its banking relationship with Citizens Security Bank, which became ANZ Guam Bank in 2008. Documents in the possession of the Comptroller of the Judiciary indicate that as of March 10, 2010, the Judiciary has been charged 2.75% of every credit card transaction processed by the Judiciary; and

WHEREAS, the Judiciary’s new Case Management System module that accepts payments from the public is scheduled to be activated in the next 30-60 days, and the convenience to the public will be increased by using an online e-payment portal. However, this will continue to present a burden on the Judiciary of Guam to pay 2.75% of each credit card transaction, and in light of the fact that the Legislature has expressly stated that creating this convenience to the public should not continue to be a burden on governmental finances, the matter of passing a 2.85% cost to the Judiciary customer who pays with a credit card was presented to the regularly scheduled Judicial Council of June 2013, and

WHEREAS, the Judicial Council agreed that the cost of 2.85% rather than 2.75% would not unduly burden Judiciary customers and would be beneficial to the Financial Management Division of the Judiciary because the additional one-tenth of one cent will cover ancillary costs of all transactions;

NOW THEREFORE BE IT RESOLVED that the Judicial hereby APPROVES the motion to allow the Financial Management Division of the Judiciary of Guam to add the amount of 2.85% of each credit card transaction with its customers to the total amount of the transaction, which will be remitted from ANZ Bank to the Judiciary of Guam as part of its existing Merchant Account Agreement with the Judiciary. The assessment of the additional 2.85% will be charged on patron obligations starting on August 1, 2013, and notification of this additional assessment will be posted on the Judiciary of Guam website and at the cashier's counter starting July 1, 2013

DULY ADOPTED this 27th day of June, 2013 at a duly noticed meeting of the Judicial Council of Guam.



F. PHILIP CARBULLIDO, Chairman

Dated: 7/1/13

ATTEST:



JOSEPHINE C. CEPEDA, Secretary

Dated: 7/1/13