ARTICLE 12.5-03
STATE CREDIT CARD ADMINISTRATION

Chapter
12.5-03-01 Service Fees

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SERVICE FEES

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12.5-03-01-01. Statutory authority.

North Dakota Century Code section 54-06-08.2 requires the Bank of North Dakota to adopt rules establishing the terms under which executive branch agencies may charge a service fee for the acceptance of a payment made by a credit card or debit card or an electronic fund transfer in compliance with a credit card company's rules and to approve the amount that may be charged by an executive agency.

History: Effective April 1, 2013.
General Authority: NDCC 54-06-08.2
Law Implemented: NDCC 54-06-08.2

12.5-03-01-02. Definitions.

As used in this chapter, unless the context requires otherwise:

1. "Bank" means the state doing business as the Bank of North Dakota and also includes the executive committee of the Bank acting on behalf of the Bank. The Bank is the state credit card administrator for credit card transactions of state agencies, boards, and commissions.

2. "Discover acquirer operating regulations" means regulations adopted by the Discover network as they pertain to merchant acceptance of a card issued under license from the Discover network.

3. "MasterCard merchant rules" means rules adopted by MasterCard international incorporated as they pertain to merchant acceptance of a card issued under license from MasterCard international.

4. "Merchant agreement" means an agreement entered between the Bank and merchants to govern the acceptance of credit cards by the merchant.

5. "Network regulations" means the rules and regulations adopted by MasterCard, Visa, and Discover.

6. "Rules" means this chapter, as amended and supplemented from time to time.

7. "Service fee" means a fee to be added to a payment as a service charge for the acceptance of a payment made by a credit or debit card or an electronic fund transfer and is referred to by credit card companies as a "convenience fee" or "surcharge".

8. "State" means the state of North Dakota, acting through its executive, legislative, and judicial branches.

9. "Visa international operating regulations or card acceptance guidelines" means regulations adopted by Visa U.S.A. as they pertain to merchant acceptance of a card issued under license from Visa.

History: Effective April 1, 2013.
General Authority: NDCC 54-06-08.2
Law Implemented: NDCC 54-06-08.2

12.5-03-01-03. Implementation and administration.

1. The Bank is authorized to execute all necessary or desirable documents with an executive branch agency, including a merchant agreement.

2. An executive branch agency that accepts any payment by credit or debit card or by electronic fund transfer must enter a merchant agreement with the Bank that creates and governs the relationship between the executive branch agency and the Bank.

3. An executive branch agency must adhere to and comply strictly with all network regulations that govern service fees, including the amount that may be charged as a convenience fee or surcharge.

4. The Bank and state's designated processor are not able to charge a service fee to cardholders on behalf of the executive branch agency.

5. In order to charge a service fee, an executive branch agency's approved payment application must process the service fee on behalf of the executive branch agency.

History: Effective April 1, 2013.
General Authority: NDCC 54-06-08.2
Law Implemented: NDCC 54-06-08.2

12.5-03-01-04. Network regulations.

The network regulations may be obtained by executive branch agencies as follows:

1. MasterCard rules at www.mastercard.com.

2. Visa operating regulations at www.visa.com.

3. Discover merchant operating regulations at www.discovernetwork.com.

History: Effective April 1, 2013.
General Authority: NDCC 54-06-08.2
Law Implemented: NDCC 54-06-08.2

12.5-03-01-05. Rules amendment procedure.

These rules may be amended at any time and from time to time by the industrial commission.

History: Effective April 1, 2013.
General Authority: NDCC 54-06-08.2
Law Implemented: NDCC 54-06-08.2