



**CITY COUNCIL AGENDA**  
September 11, 2025

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**Item/Subject:** Second Reading And Approval Of An Ordinance Amending Cedar Park Code Of Ordinances Appendix A Fee Schedule, Article 13.000 Miscellaneous Charges, Section 13.100 Amount And Assessment Of Credit Card Fees.

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**Commentary**

The City currently absorbs the costs associated with credit card and debit card processing fees for customer payments. Additionally, for Utility Billing and Municipal Court online payments, the City currently absorbs the \$1.00 per transaction fee assessed by Tyler Technologies on customer payments. Tyler Technologies manages the online customer portals for both Utility Billing and Municipal Court.

While this approach offers convenience to our customers, it limits the City's ability to allocate funds to new programs and expand services that directly benefit the community.

Texas Local Government Chapter 132 permits the governing body of a municipality to assess and collect a reasonable reimbursement fee for the convenience to the public of allowing payments by credit cards and other electronic means. A city may adopt a fee that is reasonably related to the actual cost of processing these payments, in an amount not to exceed 5% of the payment total. Additionally, this Chapter permits the collection of an online transaction fee to recoup the cost of services provided over the internet, like the costs imposed by Tyler Technologies for the City's online customer portals. The online transaction reimbursement fee must be reasonably related to the direct cost of providing online services.

Therefore, staff recommends amending the Cedar Park Code of Ordinances to permit the City's payment processors to assess a 3.5% reimbursement fee, in addition to the base fee for payments made online, for City services and programs and to permit the collection of an online transaction reimbursement fee equal to the amount actually imposed by the online service providers, up to but not to exceed \$2.00 per eligible online service transaction. This

would free up recurring dollars both in the General Fund and Utility Fund, approximating \$880,000 for the Utility Fund and \$200,000 for the General Fund. The proposed fees are reasonably related to the direct cost to the City of providing the convenience of online services and credit and debit card payments. Staff proposes an effective date of January 1, 2026, to allow staff time to thoroughly communicate the upcoming changes to our customers and residents.

The recommended ordinance is as follows:

§ 13.100. Amount and assessment of debit and credit card reimbursement fees and online transaction reimbursement fees.

- (a) The city shall assess and collect, or cause to be collected, a debit or credit card fee not to exceed 5% on all payments made to the City by debit or credit card, in accordance with Texas Local Government Code Section 132.003, as amended.
- (b) The City shall assess and collect, or cause to be collected, an online transaction fee not to exceed \$2.00 per transaction for online payment of any tax, fine, fee, court cost, utility billing account balance, Public Information Act-related cost, or other charge, in accordance with Texas Local Government Code Section 132.007, as amended.

The City does have methods of payment to offer our customers that will avoid incurring these online transaction fees and debit or credit card fees, such as payment via check, cash, setting up an ACH payment with the City or utilizing bill pay through their personal checking or savings account.

**Initiating Dept:** Finance

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**Fiscal Impact**  
**Fund:**

**Budget**  
**Amount:**

**Finance Director Review**

**Legal Certification**

Approved as to form and content:

Yes       No **City Attorney**

**Associated Information:**

## **2024-2026 Strategic Plan**

This agenda item generally supports and furthers the following goals and/objectives from the City Council 2024-2026 Strategic Plan:

- Goal: Service & Fiscal Excellence
  - Objective: Government Operations

ORDINANCE NO. CO32.25.09.11.E2

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CEDAR PARK, TEXAS, AMENDING CEDAR PARK CODE OF ORDINANCES, APPENDIX A FEE SCHEDULE, ARTICLE 13.000 MISCELLANEOUS CHARGES, SECTION 13.100 AMOUNT AND ASSESSMENT OF CREDIT CARD FEES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City permits the payment of various costs, including utility bills, taxes, fines, fees, and court costs, by debit or credit card as a convenience to the public; and

WHEREAS, the City offers a number of online services to the public, including processing of municipal court citations; payments for utility-related fees and services; registration for parks and recreation programs; payments for fire protection, development services, library, animal control, and public information-related fees; and

WHEREAS, debit/credit card processing systems and online service providers charge a fee to the City for each debit/credit card payment and online service transaction completed; and

WHEREAS, Texas Local Government Code Section 132.002 provides that the governing body of a municipality may authorize the acceptance of payment of fees, fines, court costs and other charges to accept payment by credit card and collect a reimbursement fee (“Credit Card Reimbursement Fee”) for the cost of processing such payment; and

WHEREAS, Texas Local Government Code Section 132.003 provides that the governing body may set the Credit Card Reimbursement Fee in an amount reasonably related to the expense incurred by the municipality in processing the payments by credit card, in an amount up to but not to exceed 5% of the charge; and

WHEREAS, Texas Local Government Code Section 132.007 authorizes a municipality to provide services online, including access to information, collection of payments for taxes, fines, fees, court costs, and other charges, and other municipal services authorized by law, and further authorizes a reasonable fee to recover the costs directly and reasonably incurred in providing the online services (“Online Transaction Reimbursement Fee”); and

WHEREAS, the City Council has determined that continued acceptance of debit/credit card payments and provision of online services will not be feasible or fiscally responsible without the assessment and collection of a Credit Card Reimbursement Fee and an Online Transaction Reimbursement Fee; and

WHEREAS, Cedar Park Code of Ordinances, Appendix A Fee Schedule, Article 13.000 Miscellaneous Charges, Section 13.100 currently provides for a Credit Card Reimbursement Fee of \$2.00 per credit card transaction of \$25 or more but does not provide for an Online Transaction Fee; and

WHEREAS, the City Council desires to amend Section 13.100 in conformance with Texas Local Government Code Chapter 132; and

WHEREAS, the City Council has determined that a Credit Card Reimbursement Fee not to exceed 3.5% of each payment made by credit or debit card is reasonably related to the actual expense incurred by the City in processing payments by debit and credit card; and

WHEREAS, the City Council has determined that an Online Transaction Reimbursement Fee not to exceed \$2.00 per eligible online service transaction is reasonably related to the actual expense incurred by the City in providing the online services; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City Council may adopt, publish, and or repeal an ordinance that is for the good government, peace, and order of the municipality, or for the trade and commerce of the municipality.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CEDAR PARK, TEXAS:

SECTION 1. That Cedar Park Code of Ordinances, Appendix A Fee Schedule, Article 13.000 Miscellaneous Charges, Section 13.100 Amount and Assessment of Credit Card Fees shall be retitled “Amount and Assessment of Debit and Credit Card Reimbursement Fees and Online Transaction Reimbursement Fees” and shall be amended in accordance with Exhibit A, attached hereto and incorporated herein.

SECTION 2. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

SECTION 3. That this ordinance shall take effect January 1, 2026, and at that time all ordinances or parts of ordinances in conflict with the provisions of this ordinance shall be hereby repealed.

SECTION 4. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

READ AND CONSIDERED ON FIRST READING by the City Council of Cedar Park at a regular meeting on the 4th day of September, 2025, at which a quorum was present and for which due notice was given pursuant to Section 551.001, et. Seq. of the Government Code.

READ, CONSIDERED, PASSED, AND APPROVED ON SECOND AND FINAL READING by the City Council of Cedar Park at a regular meeting on the 11<sup>th</sup> day of September, 2025, at which a quorum was present and for which due notice was given pursuant to Section 551.001, et. Seq. of the Government Code.

PASSED AND APPROVED this the 11<sup>th</sup> day of September, 2025.

CITY OF CEDAR PARK, TEXAS

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James Penniman-Morin, Mayor

ATTEST:

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LeAnn M. Quinn, TRMC  
City Secretary

APPROVED AS TO FORM  
AND CONTENT:

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J.P. LeCompte, City Attorney

ORDINANCE NO. CO32.25.09.11.E2

Exhibit A

§ 13.100. Amount and assessment of ~~debit and credit card reimbursement fees and online transaction reimbursement fees.~~

- (a) The city shall assess and collect, ~~or cause to be collected,~~ a debit or credit card reimbursement fee not to exceed 5% on all payments made to the City by debit or credit card transactions, in accordance with Texas Local Government Code Section 132.003, as amended. ~~throughout the city greater than \$25.00 a credit card processing fee of \$2.00 for each transaction.~~
- (b) The city shall assess and collect, or cause to be collected, an online transaction fee not to exceed \$2.00 per transaction for online payment of any tax, fine, fee, court cost, utility billing account balance, Public Information Act-related cost, or other charge, in accordance with Texas Local Government Code Section 132.007, as amended.