§ 159-32.1. Electronic payment.

A unit of local government, public hospital, or public authority may, in lieu of payment by cash or check, accept payment by electronic payment as defined in G.S. 147-86.20 for any tax, assessment, rate, fee, charge, rent, interest, penalty, or other receivable owed to it. A unit of local government, public hospital, or public authority may pay any negotiated discount, processing fee, transaction fee, or other charge imposed by a credit card, charge card, or debit card company, or by a third-party merchant bank, as a condition of contracting for the unit's or the authority's acceptance of electronic payment. A unit of local government, public hospital, or public authority may impose the fee or charge as a surcharge on the amount paid by the person using electronic payment. (1999-434, s. 5.)

Planning & Development

Merchant: GovWell

Planning is the only department that passes merchant processing fees on to the customer.

The current rates for processing (as of 04/23/26):

- 3.5% of transactions for credit or debit
- $1 for an ACH transaction

The fee goes straight to GovWell, without passing through The Town's bank account or GL's.

The fee is itemized below the subtotal on the receipt.

Requested: April 22, 2026, 2:01pm
Paid: April 22, 2026, 2:15pm

Fee	Description	Explanation	Total
Building Permit (Heated)		(4608 / 10000) * ($6,126.80 per Heated Sq Ft)	$2,823.23
Certificate of Occupancy		$42.40 * 1	$42.40
Electrical Inspection		$90.10 * 3	$270.30
Homeowners Recovery (1/2)		$9.00 * 1	$9.00
Homeowners Recovery (2/2)		$1.00 * 1	$1.00
Land Disturbance (New Single or Two-Family Residence < 1 acre of disturbance)		$84.80 * 1	$84.80
Mechanical Inspection		$90.10 * 3	$270.30
Plumbing Inspection		$90.10 * 3	$270.30
Residential Clean-Up		$106.00 * 1	$106.00
Single Family Plan Review		$106.00 * 1	$106.00
Technology	6% of transaction total	6% of 4062.83	$243.77
Zoning		$79.50 * 1	$79.50

Subtotal: $4,306.60
Processing Fee: $150.73
Total Paid: $4,457.33
Payment Method: Credit Card

There is no discount program; if we chose to absorb the fee it would be the same as the customer's fee.

There is no way for GovWell to split the fee, it is either absorbed by us or paid by the customer.

Department Data:

July 1,2025 to-date Planning & Development customers have paid:

ACH transactions ($1 per item):	84($1)	$84 in fees
Checks ($0 per item):	63	
Credit Card transaction amount (3.5%):	$272,498.08(3.50%)	$9,537.43 in fees

$9,621.43 paid by customer

<u>Pool & Special Events for the Police Department</u>

Merchant: Square Plus

The Town of Black Mountain absorbs the merchant processing fees.
Current Rate:
Debit/credit card fees: 2.5% + $.15
Fees are deducted from end-of-day settlement, do not pass through The Town's bank account or GL

Square allows the surcharge to be passed to the customer for debit and credit card:

- Customer pays the merchant processing fee of 2.5%+$.15
- Surcharge listed on the receipt as a separate line item
- Fees are paid to Square directly

Department Data:
Month of July 2025:

1,223 gate transactions:

612 paid by card	Fees absorbed by The Town: $343.91
609 cash	No fees

1,672 concession transactions:

966 paid by card	Fees absorbed by The Town: $227.03
706 cash	No fees

1,578 transactions, $570.94 in fees paid by The Town

(Note: The Swim Team pays by checks, this is the only check received by the pool)

Recreation & Parks

Merchant: RecDesk

The Town of Black Mountain absorbs the merchant processing fees.
Current Rate:
Debit/credit card fees: 3.90%+.30*
Fees are drafted from The Town's bank account.

There is no way for RecDesk to split the fee, it is either absorbed by us or paid by the customer. If the fee were to be paid by the customer:

- Surcharge listed on the receipt as a separate line item
- Paid directly to the merchant, does not pass through our accounts
- There is no processing fee for refunds (Parks and Rec takes deposits for facilities, there would be a processing fee when the deposit is placed on a card, but not when refunded).

Department Data:
Month of July 2025:

$9,688.69 in credit cards processed (3.90%) $377.86 +.30 per transaction in fees

1 cash

1 check

*Processing company is getting ready to change from authorize.net. If we sign a new contract, this processing rate may be reduced to 3% +.30.

Golf
Merchant: Golfnow
The Town of Black Mountain absorbs the merchant processing fees.

Current Rate:
Debit/credit cards (present) 2.75% +$10 per transaction
Debit/credit cards (not present) 2.9% +$.30 per transaction
The fees are drafted from The Town's checking account.

There is no way for Golfnow to split the fee, it is either absorbed by us or paid by the customer. If the fee were to be paid by the customer:

- Surcharge listed on the receipt as a separate line item
- The surcharge would be deposited to our accounts and then drafted as it is now
- Golfnow prefers a flat rate and suggests 3%

Department Data:
Month of July:

$8,375 in cash$62,271.45 in cards (2.75%) $1,712.46 fees absorbed by The Town+ the $.10 per transaction fees.

Utilities, Fire, Police

Merchant: Tyler/Encode & Cognito

Current Model: Absorb Fee

- We absorb the fees for all payments made online or in person
- Fees show in our GL and Chase debits our checking account

Because we absorb the fee, we qualify for the Visa Discount Program that discounts the processing rate from 3.75-4% to a 2% net rate.

If we pass the fee on to customers, we will not be able to participate in this program, and the fee would go up to 3.75-4%.

Flat Rate Model
Tyler/Encode can split the fee, the Town paying a percentage of the fee and the customer paying the remainder. The flat rate would show as a line item on the receipt and fees would be drafted from The Town's checking account.

Service Fee Model

- The Merchant Fees are a Service Fee from Chase
- The fee goes straight to Chase, never hitting The Town's GL's or checking account
- The receipt shows
    - A Base Charge (what the town has billed for example, the amount of the Utility Bill)
    - A Service Fee from Chase approximate fee is 3.90%

This would apply to all payments made online or in person.
E checks would be treated differently, having a Service Fee of $1.95.

July 2025 Utility:

- 1,173 customers had their checking accounts drafted by The Town (no fee)
- E check 376
- Online credit card transactions 1,529
- In-person credit card payments 212

Website processing fees: $3,297.84
Office processing fees: $ 543.50
American Express fees: $ 210.82
$4,052.16 in processing fees absorbed in the month of July 2025 ($28,352.51 from July 1,2025-January 31, 2025).

If Counsel votes for the changes, it requires

- A contract amendment
- Software changes

Notices of the change could be added to:

- Posted in the drive through window
- At the payment window
- On or around portable equipment
- An online banner
- In the message box on the bill
- Newsletter