

RESOLUTION NO. 2026-051

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH RICHLAND HILLS, TEXAS, AUTHORIZING THE RECOVERY OF CREDIT AND DEBIT CARD PROCESSING COSTS THROUGH FEES; ESTABLISHING A MAXIMUM RECOVERY AMOUNT OF FIVE PERCENT (5%) OF THE TRANSACTION AMOUNT; AUTHORIZING THE CITY MANAGER OR DESIGNEE TO ESTABLISH AND IMPLEMENT THE APPROPRIATE RECOVERY METHOD AND AMOUNT FOR DIFFERENT DEPARTMENTS, PAYMENT PROCESSORS, AND TRANSACTION TYPES; PROVIDING FOR COMPLIANCE WITH APPLICABLE LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of North Richland Hills, Texas accepts credit and debit card payments for various City services including permits, utility payments, recreational activities, municipal court payments; and

WHEREAS, the City currently absorbs the payment card processing fees associated with such transactions, resulting in significant annual costs; and

WHEREAS, the City utilizes multiple payment card processors and payment platforms across various departments, and the costs and capabilities associated with processing credit and debit card transactions vary depending upon the department, processor, payment platform, transaction type, and method of payment; and

WHEREAS, City staff has determined that different departments and payment processors require different methods and amounts of cost recovery in order to appropriately recover the City's card processing costs; and

WHEREAS, the City Council desires to authorize the recovery of card processing costs from customers who elect to use a credit or debit card as a method of payment, while providing flexibility to utilize the recovery method most appropriate for the applicable department, processor, payment platform, and transaction type; and

WHEREAS, the City Council finds that establishing a maximum recovery amount of five percent (5%) of the transaction amount provides appropriate flexibility to recover applicable payment card processing costs while establishing a reasonable maximum amount that may be charged to customers; and

WHEREAS, the City Council intends that the payment card processing cost recovery program be implemented in accordance with all applicable federal and state laws, rules, regulations, and requirements governing payment processing fees, surcharges, convenience fees, service fees, and other transaction charges;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH RICHLAND HILLS, TEXAS:

SECTION 1. The City Council hereby authorizes any employee of the City collecting any fee, fine, court costs, or other charge to accept payment by credit or debit card and authorizes the City to recover payment card processing costs associated with transactions in which a customer elects to pay by credit or debit card.

SECTION 2. The maximum amount that may be recovered from a customer for payment card processing costs shall not exceed five percent (5%) of the applicable transaction amount. The maximum authorized amount is intended as a ceiling and does not require the City to charge five percent (5%) on any particular transaction.

SECTION 3. The City Manager, or designee, is hereby authorized to establish and implement the specific payment card processing cost recovery method and amount applicable to each City department, payment processor, payment platform, and transaction type, provided that:

1. The amount charged does not exceed the maximum authorized by this Resolution;
2. The recovery method is permitted under applicable federal and state law and applicable payment card rules;
3. The recovery method and amount are appropriately disclosed to customers prior to completion of the transaction; and
4. The recovery amount is directly related to the City's payment processing costs and the requirements of the payment processor or payment platform.

SECTION 4. The City Manager or designee is further authorized to utilize different recovery methods as appropriate for different departments, payment processors, payment platforms, and transaction types. Such methods may include, to the extent permitted by applicable law and payment card rules, a surcharge, convenience fee, service fee, or other appropriate transaction cost recovery mechanism.

SECTION 5. The City Manager or designee is further authorized to modify the applicable recovery method or amount as necessary to accommodate changes in payment processors, payment platforms, processing costs, technology, or applicable laws and payment card rules, provided that any recovery amount remains within the maximum authorized by this Resolution.

SECTION 6. Nothing in this Resolution shall be construed to authorize the City to impose a fee, surcharge, or other charge in a manner prohibited by

applicable federal or state law, applicable payment card network rules, or the terms of an applicable payment processing agreement.

SECTION 7. The City Manager or designee is authorized to take all actions necessary and appropriate to implement the payment card processing cost recovery program authorized by this Resolution.

SECTION 8. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Resolution are severable, and if any section, paragraph, sentence, clause, or phrase of this Resolution shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Resolution, since the same would have been approved by the City Council without the incorporation in this Resolution of any such unconstitutional section, paragraph, sentence, clause, or phrase.

SECTION 9. This Resolution shall become effective upon its adoption by the City Council.

PASSED AND APPROVED this 24th day of August, 2026.

CITY OF NORTH RICHLANDHILLS

Jack McCarty, Mayor

ATTEST:

Alicia Richardson
City Secretary/Chief Governance Officer

APPROVED AS TO LEGALITY:

Bradley A. Anderle, City Attorney

APPROVED AS TO CONTENT:

Stephen Barnes, Director of Finance