

ORDINANCE NO. 2026-__
AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF CREDIT AND DEBIT
CARD PAYMENTS AND ASSIGNING ALL ASSOCIATED PROCESSING FEES TO
THE USER AND REPLACING, REVOKING, AND SUPERSEDING
ORDINANCE NO. 2005-01 PREVIOUSLY PASSED PERTAINING TO THE SAME

WHEREAS, the Village of Winnebago previously adopted Ordinance No. 05-01 entitled “*An Ordinance Authorizing Acceptance of Credit Card Payments by Village*” on March 7, 2005, authorizing the acceptance of credit card payments for authorized obligations to the Village; and

WHEREAS, pursuant to the Local Governmental Acceptance of Credit Cards Act, 50 ILCS 345/1 et seq., a municipality may accept credit and debit card payments and may impose a convenience fee or surcharge related to such transactions, subject to disclosure and statutory requirements; and

WHEREAS, since adoption of Ordinance No. 05-01, payment processing practices, fee structures, and third-party service provider models have evolved, resulting in variable transaction-based fees assessed directly to the Village by financial institutions and payment processors; and

WHEREAS, the Village Board of Trustees finds that it is in the best interest of the Village, its taxpayers, and the efficient administration of government to ensure that the actual costs incurred by the Village for processing credit and debit card payments are borne by the user electing to utilize such payment method, rather than absorbed by the Village; and

WHEREAS, the Village Board of Trustees desires to repeal and replace Ordinance No. 05-01 in its entirety to clarify that users shall be responsible for the full actual processing fee charged to the Village for each applicable transaction.

NOW THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Winnebago, Illinois, as follows:

SECTION I – REPEAL OF ORDINANCE 05-01

Ordinance No. 05-01, “An Ordinance Authorizing Acceptance of Credit Card Payments by Village,” adopted March 7, 2005, is hereby repealed in its entirety.

SECTION II – ACCEPTANCE OF CREDIT AND DEBIT CARD PAYMENTS

In accordance with the Local Governmental Acceptance of Credit Cards Act, 50 ILCS 345/1 et seq., the Village of Winnebago is hereby authorized to accept credit card and debit card payments for authorized obligations to the Village for which the Village is authorized and equipped to receive payment, including but not limited to utility bills, parking tickets, permits, licenses, fines, fees, and Village-sponsored events, upon entering into a contractual relationship with a financial institution or payment processing service provider.

SECTION III – ASSIGNMENT OF PROCESSING FEES TO USER

- A. A convenience fee or surcharge shall be imposed on the user each time a credit card or debit card is utilized to make payment of an obligation to the Village of Winnebago.
- B. Such convenience fee or surcharge shall be equal to the full actual processing fee charged to the Village by the financial institution, credit card company, or third-party service provider for the specific transaction, inclusive of any percentage-based fees, flat fees, or other transaction-related charges assessed to the Village.
- C. The Village shall not markup, round, or otherwise modify the amount of the processing fee beyond the actual fee imposed by the payment processor.
- D. The Village shall fully disclose the amount of any convenience fee or surcharge to the user prior to completion of the transaction, in compliance with applicable law and payment network requirements.

SECTION IV – IMPLEMENTATION

- A. The Treasurer or her designees are hereby authorized and directed to take all actions necessary to implement the provisions of this Ordinance, including coordination with the Village's credit card and payment processing service providers, configuration of payment systems, and public notice to users.
- B. Implementation of the assignment of credit and debit card processing fees to the user, as provided herein, shall occur no later than May 1, 2026, or as soon thereafter as administratively practicable, provided that all required disclosures and system configurations are in place.

- C. The Village shall provide reasonable advance notice to users prior to implementation and shall continue to offer alternative payment methods that do not incur processing fees, including but not limited to ACH payments, cash, or check, where available.

SECTION V – SEVERABILITY

If any provision of this Ordinance is held invalid or unenforceable, such invalidity shall not affect the other provisions of this Ordinance.

SECTION VI – EFFECTIVE DATE

This Ordinance shall be in full force and effect after its passage, approval, and publication in pamphlet form as required by law.

APPROVED this _____ day of _____, 2026

Franklin J. Eubank, Jr., President of the Board of Trustees
of the Village of Winnebago, Illinois

ATTEST:

Sally Jo Huggins, Village Clerk

PASSED: _____

APPROVED: _____

**PUBLISHED IN
PAMPHLET FORM:** _____