

President Richard S. Weinbaum, DPM 1814 Westchester Dr. High Point, NC 27262

Vice President David R. Kirlin, DPM 251 Wilmot Dr. Gastonia, NC 28054

Secretary-Treasurer Ronald A. Maskarinec, DPM 707 N. Morgan St. Shelby, NC 28150

#### THE BOARD OF PODIATRY EXAMINERS OF THE STATE OF NORTH CAROLINA

1500 Sunday Drive, Suite 102 Raleigh, North Carolina 27607-5151

(919) 861-5583 FAX (919) 787-4916 www.ncbpe.org email: info@ncbpe.org *Attorney* J. Mac Boxley P.O. Drawer 1429 Raleigh, NC 27602

*Public Member* Kenya Smith 417 Spruce Hollow Dr. Fuquay-Varina, NC 27526

Executive Secretary David J. Feild Asst. Executive Secretary Penney De Pas, MA, CAE (919) 861-5583

## MEMORANDUM

# TO: Joint Legislative Commission on Governmental Operations

SUBJ: Request for Fee Consultation

## FROM: NC Board of Podiatry Examiners

### DATE: May 10, 2012

Pursuant to § 12-3.1, the North Carolina Board of Podiatry Examiners is proposing to adopt 21 NCAC 52 .0612 "PAYMENT OF FEES" in order to allow the Board to accept payment its licensing, examination, and corporate registration fees by credit card and to offset/recuperate/pass through the bank merchant account fees charged by the bank to the Board with a convenience fee, as well as to collect the fees banks charge for checks returned for insufficient funds.

- (i) the amount of the current fee or charge, if applicable,
  - The Returned Item/Overdraft fee varies per bank. Currently, the Board does not have a credit card fee.
- (ii) the amount of the proposed new or increased fee or charge,

The Board would charge a customer whose check is returned for insufficient funds the same amount that the bank charged the Board's checking account. The credit card fee amount charged to the Board by the bank, currently Wells Fargo, is a \$250 setup charge plus a monthly usage charge of \$60/month for the first 1000 transactions per month. We estimate that 60% of transactions will be done online using credit card (approximately 310/year), therefore, the Board is proposing a \$3 per transaction convenience fee.

(iii) the statutory authority for the fee or charge, and

G.S. 55B-10; 55B-11; 90-202.4(g); 90-202.5; 90-202.10;

- (iv) a detailed explanation of the need for the establishment or increase of the fee or charge.
  - The Board is totally receipt supported by fees paid by licensees and applicants for licensure as well as a small amount paid to offset corporate registration administration. The Board currently accepts cash, check, or money order for payment of its fees and will continue to do so.
  - Acceptance of credit cards has been frequently requested by licensees and potential licensees for greater convenience and timeliness of payment.
  - State statutes also require payment of late fees for corporate registration and license renewals; acceptance of credit cards would likely reduce this late fee income to the Board as well as reduce revenues by the amount of the bank merchant account fees.
  - The Board's annual budget is very close to break even, and the Board's fees have not been increased since 1995. Any further reduction in revenues by returned checks or credit card bank fees will likely result in a deficit budget.
  - Other state agencies charge a fee for credit card transactions.

The proposed rule has been submitted to the Office of Administrative Hearings/Rules Division for publication in the *Register* on this date.

Thank you for your consideration of this request. If you have any questions, please contact our Rulemaking Coordinator, Penney De Pas, (919) 861-5583 or info@ncbpe.org.