



# City of Philadelphia

City Council  
Chief Clerk's Office  
402 City Hall  
Philadelphia, PA 19107

**BILL NO. 260640**

---

**Introduced June 11, 2026**

---

**Councilmember Landau**

---

**Referred to the  
Committee on Commerce & Economic Development**

---

## **AN ORDINANCE**

Amending Title 9 of The Philadelphia Code, entitled "Regulation of Businesses, Trades and Professions," by adding a new Chapter 9-6900, entitled "Payment Convenience Fees," to establish restrictions on the collection of convenience or processing fees via online payment portals and provide for remedies; all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

### SECTION 1. Legislative Findings and Purpose.

The Council of the City of Philadelphia finds and declares as follows:

1) Pay-to-pay fees, also called convenience fees, payment processing fees, or service fees, are charges imposed on consumers solely as a condition of making a payment by electronic means through an online payment portal, including website, mobile application, or automated telephone payment systems, whether by credit card, debit card, prepaid card, ACH or bank transfer, or digital wallet. These fees generally range from a few dollars to fifteen dollars or more per transaction, as documented by the Consumer Financial Protection Bureau.

2) Philadelphia consumers bear an outsized share of this burden. Revenue collected by private online payment portal flows to out-of-state payment processors and none of the revenue benefits City services or Philadelphia residents. The City's water utility has charged \$3.95 per online payment, which is approximately 40% above the national average.

3) Low-income consumers are particularly affected by the burden of junk fees like pay-to-pay fees. Low-income residents who rely on prepaid debit cards for utility allowances, and

# City of Philadelphia

*BILL NO. 260640 continued*

those who make multiple partial payments per month as funds become available, pay a larger share of their income in payment fees in order to pay required bills online.

4) Many expenses that currently require pay-to-pay fees are in captive payment contexts, including municipal fines and fees, court filings, parking violations, licenses and permits, rent, tuition, and healthcare billing. In these settings, consumers have no ability to avoid a convenience fee through comparison shopping or switching to a competing provider.

5) The City of Philadelphia has established its interest in protecting consumers from unfair and deceptive business practices through affirmative litigation enabled through the Consumer Protection Ordinance, enacted in 2024.

6) The purpose of this Chapter is to enhance consumer protection from unjust and improperly disclosed convenience fees and offer fee-free electronic payment alternatives for Philadelphians using online payment services.

SECTION 2. Title 9 of The Philadelphia Code is hereby amended to read as follows:

## TITLE 9. REGULATION OF BUSINESSES, TRADES AND PROFESSIONS

\* \* \*

### *CHAPTER 9-6900 PAYMENT CONVENIENCE FEES*

*§ 9-6901. Definitions.*

*(1) For the purposes of this Chapter, the following terms shall have the following meanings:*

*(a) Convenience fee. Any charge, fee, or surcharge assessed against a consumer as a condition of, or in connection with, making a payment by electronic means through an online payment portal, whether styled as a payment processing fee, pay-to-pay fee, portal fee, transaction fee, service fee, technology fee, or payment convenience charge, or other means.*

*(b) Covered entity. Any person that accepts payments from consumers via an online payment portal, including any individual, partnership, corporation, association, or other corporate entity, department, agency, board, commission, or office of the City of Philadelphia, or any vendor, contractor, or other person acting on behalf of the City. The term does not include any public utility subject to the exclusive jurisdiction of the Pennsylvania Public Utility Commission.*

*(c) Consumer. Any natural person who pays or is obligated to pay for goods, services, fees, fines, or any other lawful charge.*

# City of Philadelphia

BILL NO. 260640 continued

*(d) Online payment portal. Any website, mobile application, telephone payment system, or other electronic platform through which a covered entity accepts payments from consumers. The term does not include in-person point-of-sale terminals.*

*§ 9-6902. Free alternative required.*

*(1) No covered entity shall charge a consumer a convenience fee for the use of a particular payment method through an online payment portal unless the covered entity also makes available, within the same online payment portal, at least one fee-free electronic payment option. This fee-free electronic payment option shall:*

*(a) be available to all consumers using the online payment portal, under terms and conditions no less favorable than those applicable to any payment option for which a fee is charged;*

*(b) be presented to the consumer with equal prominence, and on the same screen or page, as any payment option for which a fee is charged;*

*(c) enable the consumer to complete payment entirely through the online payment portal, without directing the consumer to mail a check, appear in person, or use any channel outside the portal;*

*(d) enable a consumer to complete payment without incurring any convenience fee or other surcharge; and*

*(e) not be conditioned on the consumer's undertaking any actions in addition to provision of payment, such as enrollment in a subscription, recurring-billing arrangement, automatic payment plan, or other product or service offered by the covered entity.*

*(2) Covered entities shall advertise the fee-free alternative with a plain-language factual disclosure, in English and Spanish, identifying the fee-free electronic payment option.*

*(3) No covered entity shall take any adverse action against a consumer, including the assessment of a late fee, interest charge, or other penalty, or the reporting of nonpayment to any consumer reporting agency, based on the consumer's choice to use the fee-free electronic payment option.*

*§ 9-6903. Prohibition on unjustified fees.*

*(1) No covered entity shall charge a convenience fee that materially exceeds the actual processing costs incurred for the acceptance of a specific electronic payment method. Actual processing costs include documented per-transaction costs charged by a third-party payment*

# City of Philadelphia

BILL NO. 260640 continued

*processor, card network, or financial institution but do not include administrative overhead, profit margin, or any other amount exceeding the direct pass-through cost to the covered entity.*

*(2) Upon request of the Law Department, or any other agency designated by the Mayor, or any consumer, a covered entity shall provide within thirty (30) days documentation substantiating the actual processing costs upon which a convenience fee is based. Relevant documentation includes, but not limited to, merchant statements, processor invoices, online portal contracts or terms and conditions, and card-network fee schedules.*

*§ 9-6904. Fee disclosure required.*

*(1) Any covered entity that charges a consumer a convenience fee in connection with the acceptance of a payment shall:*

*(a) clearly and conspicuously disclose such fee, and the total price inclusive of the fee, in any advertisement, offer, invoice, bill, price list, or other solicitation directed to the consumer, and in the online payment portal prior to the consumer's acceptance of the fee;*

*(b) state the fee in the specific dollar amount that will be applied to the transaction, or, where the fee is a percentage, both the percentage and the resulting dollar amount applied to the present transaction.*

*(c) provide such disclosures to all consumers in both English and Spanish, including a notice in both English and Spanish indicating that the English language disclosure is the official and operative disclosure, and the Spanish language version is for informational purposes only.*

*§ 9-6405. Enforcement, Civil Penalties, and Private Right of Action.*

*(1) Unfair Trade Practices. Any violation of this Chapter shall constitute an unfair trade practice under Chapter 9-6300 of this Code and shall be subject to enforcement and remedies in accordance with that Chapter, including, without limitation, the powers of investigation, subpoena, and affirmative litigation and the penalties, damages, and costs set forth therein.*

*(2) Private Right of Action. Any consumer harmed by a violation of this Chapter may bring a civil action in a court of competent jurisdiction and, upon prevailing, shall be entitled to:*

*(a) actual damages, or five hundred dollars (\$500.00) per violation, whichever is greater;*

*(b) injunctive or other equitable relief;*

*(c) reasonable attorneys' fees and costs; and*

*(d) such other relief as the court deems just and proper.*

# City of Philadelphia

BILL NO. 260640 continued

(3) *Class Actions Permitted.* Nothing in this Chapter shall be construed to limit the right of a consumer to bring or participate in a class action on behalf of similarly situated consumers.

(4) *No Waiver.* Any provision of a contract, invoice, or portal terms of service agreement purporting to waive, limit, or disclaim the protections of this Chapter, or to require a consumer to arbitrate individually and not on a class basis any claim arising under this Chapter, shall be void as against public policy to the extent permitted by law.

(5) *Retaliation Prohibited.* No covered entity shall retaliate against any consumer who exercises any right under this Chapter, files a complaint with the Law Department or any other governmental agency, or testifies or participates in any proceeding to enforce this Chapter.

(6) *Cumulative Remedies.* The remedies provided in this Chapter are cumulative and in addition to any other remedies available under federal, state, or local law.

§ 9-6406. *Severability.*

*If any provision of this Chapter or application thereof to any person or circumstance is judged invalid, the invalidity shall not affect other provisions or applications of the Chapter that can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are declared severable.*

\* \* \*

SECTION 3. This Ordinance shall take effect 90 days after being adopted into law.

---

**Explanation:**

*Italics* indicate new matter added.