

HOUSE BILL REPORT

HB 2053

As Reported By House Committee On:
Transportation

Title: An act relating to vehicle and vessel titling and registration fees.

Brief Description: Allowing credit card payment of vehicle registration fees.

Sponsors: Representatives Hatfield, Hankins, Scott, Skinner, Edwards, Cooper, K. Schmidt, Haigh, Mielke, Schindler, G. Chandler, McDonald, Hurst, Fortunato, Fisher, Ogden, Ruderman and Miloscia.

Brief History:

Committee Activity:

Transportation: 3/1/99, 3/2/99 [DPS].

Brief Summary of Substitute Bill

- Department of Licensing, agents and subagents have express authority to accept credit/debit cards for payment of vehicle and vessel fees.
- Credit/debit fees may be passed on to card users.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Fisher, Democratic Co-Chair; K. Schmidt, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Edwards, Democratic 2nd Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; DeBolt; Fortunato; Haigh; Hatfield; Hurst; Lovick; McDonald; Mielke; Mitchell; Morris; Murray; Ogden; Radcliff; Romero; Schindler; Scott; Skinner and Wood.

Staff: Kelly Simpson (786-7305).

Background:

The Department of Licensing (DOL) currently has express statutory authority to accept checks or money orders for the payment of fees and excise taxes related to vehicle and vessel titling and registration. The DOL does have indirect statutory authority to accept credit/debit cards. However, certain conditions must occur prior to the implementation of payment by credit/debit cards.

The Office of Financial Management (OFM) must first approve the use of credit/debit cards by state agencies. Before approval may be granted for the use of credit/debit cards, OFM requires agencies to submit a cost/benefit analysis indicating business cases that are *economically feasible*. To date, the DOL has been unable to present such a case due to current business practices that would require the DOL, as opposed to the credit/debit card user, to pay the charges imposed on the department by credit card companies. The DOL has estimated these costs to be \$4.5 million in FY 1999 to \$6.0 million in FY 2005 if 20 percent of vehicle license customers choose to use a credit/debit card.

Once approved by OFM, the State Treasurer's office (STO) has authority to coordinate agencies' use of credit cards. The STO also has authority to represent the state in contract negotiations with credit card companies.

Summary of Substitute Bill:

The DOL, as well as its agents and subagents, have express statutory authority to accept credit and debit cards for payment of fees and excise taxes related to vehicle and vessel titling and registration. The DOL is granted authority to adopt rules and procedures to implement the use of credit and debit cards for payment of these fees and taxes. Finally, the DOL has express statutory authority to pass on credit/debit card fees to those individuals who choose to use such cards for payment of fees and excise taxes related to vehicle and vessel titling and registration.

Substitute Bill Compared to Original Bill: Language was added granting express authority to the DOL, agents and subagents to accept credit/debit cards for payment of vehicle and vessel fees.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Original bill) Allowing for payment by credit/debit cards of vehicle and vessel fees would provide a convenience to Washington's citizens.

Testimony Against: None.

Testified: Patrick McMahan, Washington Association of Vehicle Subagents; Deb McCurley, Department of Licensing; Elaine Emans, State Treasurer's office; and Sam Reed, Washington State Association of County Auditors.