

# FINAL BILL REPORT

## SHB 2053

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C 271 L 99

Synopsis as Enacted

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

**Sponsors:** By House Committee on Transportation (Originally sponsored by Representatives Hatfield, Hankins, Scott, Skinner, Edwards, Cooper, K. Schmidt, Haigh, Mielke, Schindler, G. Chandler, McDonald, Hurst, Fortunato, Fisher, Ogden, Ruderman and Miloscia).

**House Committee on Transportation**  
**Senate Committee on Transportation**

### **Background:**

The Department of Licensing (DOL) 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 has 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 the 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:**

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.

**Votes on Final Passage:**

House 93 3

Senate 43 3 (Senate amended)

House 95 2 (House concurred)

**Effective:** July 25, 1999