

SENATE BILL REPORT

SHB 2053

As Reported By Senate Committee On:
Transportation, March 31, 1999

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

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

Sponsors: 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).

Brief History:

Committee Activity: Transportation: 3/24/99, 3/31/99 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Goings, Vice Chair; Benton, Costa, Eide, Finkbeiner, Horn, Jacobsen, Johnson, Morton, Oke, Patterson, Sellar, Sheahan, T. Sheldon and Shin.

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 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.

Appropriation: None.

Fiscal Note: Not requested.

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

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

Testimony Against: None.

Testified: Sam Reed, Thurston County Auditor/WA State Assn. of County Auditors (pro); Jim Boldt, WA Auto Dealers Assn. (concerns).