

SENATE BILL REPORT

SB 6051

As Reported By Senate Committee On:
Transportation, March 8, 1999

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

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

Sponsors: Senators Gardner, Patterson, Costa, Shin, T. Sheldon, Eide and Jacobsen.

Brief History:

Committee Activity: Transportation: 3/5/99, 3/8/99 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6051 be substituted therefor, and the substitute bill do pass.

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

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. 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, DOL has been unable to present such a case due to current business practices that would require DOL, as opposed to the credit/debit card user, to pay the charges imposed on the department by credit card companies. 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 Office of the State Treasurer (OST) has authority to coordinate agencies' acceptance and use of credit cards and other payment methods.— OST also has the authority to represent the state in all contractual relationships— with credit card companies.

Summary of Substitute Bill: The Department of Licensing, as well as 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. 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, 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 department's agents and subagents to accept credit/debit cards for payment of vehicle and vessel fees.

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: Senator Gardner, prime sponsor (pro); Deb McCurley, Dept. of Licensing (concerns); John Woodring, WA Assn. of Vehicle Subagents (pro with amendments).