

# HOUSE BILL REPORT

## HB 1954

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**As Reported by House Committee On:**  
Consumer Protection & Business

**Title:** An act relating to credit and debit card transaction fees.

**Brief Description:** Addressing credit and debit card transaction fees.

**Sponsors:** Representatives Kirby and Barkis.

**Brief History:**

**Committee Activity:**

Consumer Protection & Business: 1/24/22, 2/2/22 [DPS].

**Brief Summary of Substitute Bill**

- Authorizes registered tow truck operators to collect a convenience fee, as permitted by law, when a credit or debit card is chosen as the payment method for the costs of towing, storage, tolls, or ferry fares.

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### HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Kirby, Chair; Walen, Vice Chair; Vick, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Corry, Ryu and Santos.

**Staff:** Corey Patton (786-7388).

**Background:**

The Department of Licensing issues registration certificates to tow truck operators which authorize the operators to engage in the impounding, transporting, and storage of unauthorized vehicles and the disposal of abandoned vehicles. Registered tow truck operators are authorized to collect the costs of towing, storage, tolls or ferry fares paid, or

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other services rendered during the course of towing, removing, impounding, or storing an impounded vehicle.

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**Summary of Substitute Bill:**

Registered tow truck operators are authorized to collect a convenience fee, as permitted by law, to be paid by the credit or debit card user whenever a credit or debit card is chosen as the payment method for the costs of towing, storage, tolls, or ferry fares. The fee must be sufficient to offset the charges imposed on the tow truck operator by the credit and debit card companies or card processors, but may not exceed 4 percent.

**Substitute Bill Compared to Original Bill:**

The substitute bill: (1) specifies that registered tow truck operators are authorized to collect a convenience fee, as permitted by law, whenever a credit or debit card is chosen as the payment method for the costs of towing, storage, tolls, or ferry fares; and (2) provides that the convenience fee must be sufficient to offset the charges imposed on the operator by the credit and debit card companies or card processors, rather than only by the credit and debit card companies.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Registered towers are not currently authorized to recoup money lost by transaction fees. Any other business could factor transaction fees into their pricing, but registered towers are unable to. Debit and credit cards are becoming an increasingly common form of payment for a variety of reasons. Customers tend not to carry cash, and checks are risky because they need to be verified. Transaction fees for debit and credit cards add up for small towing businesses. This bill will allow registered towers to collect transaction fees and reinvest in their businesses, pay more competitive wages, and extend more benefits to their employees.

(Opposed) The towing industry disproportionately impacts low-income communities. The burden on these communities should not be increased. People from these communities have less access to mass transit and are more likely to rely on personal vehicles to get to work,

which forces people to make hard economic choices when a vehicle breaks down. Imposing transaction fees would further reinforce the socioeconomic divide and the cost of poverty.

**Persons Testifying:** (In support) Representative Steve Kirby, prime sponsor; Kris Zachary, Burns Towing; and Peter Lukevich, Towing and Recovery Association of Washington.

(Opposed) Shaun Scott.

**Persons Signed In To Testify But Not Testifying:** None.