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**SENATE BILL 5328**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senators Lovick, Dozier, and Nobles

AN ACT Relating to establishing a new chapter for the licensing and regulation of businesses providing earned wage access services; adding a new chapter to Title 31 RCW; and prescribing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Consumer" means any individual who resides in this state. A provider may use the mailing address or state of residence provided by a consumer to determine the consumer's state of residence for purposes of this chapter.

(2) "Consumer-directed wage access services" means offering or providing an advance of earned but unpaid income directly to consumers based on the consumer's representations and the provider's reasonable determination of the consumer's earned but unpaid income.

(3) "Department" means the department of financial institutions as established under chapter 43.320 RCW.

(4) "Director" means the director of the department of financial institutions.

(5) "Earned but unpaid income" means salary, wages, compensation, or other income that a consumer or an employer has represented, and that a provider has reasonably determined, has been earned or has accrued to the benefit of the consumer in exchange for the consumer's provision of services to the employer or on behalf of the employer, including on an hourly, project-based, piecework, or other basis and including where the consumer is acting as an independent contractor of the employer, but has not, at the time of the payment of proceeds, been paid to the consumer by the employer.

(6) "Earned wage access services" means the business of providing consumer-directed wage access services, employer-integrated wage access services, or both.

(7) "Employer" means:

(a) A person who employs a consumer; or

(b) Any other person who is contractually obligated to pay a consumer earned but unpaid income in exchange for a consumer's provision of services to the employer or on behalf of the employer, including on an hourly, project-based, piecework, or other basis and including where the consumer is acting as an independent contractor with respect to the employer. "Employer" does not mean a customer of an employer or any other person whose obligation to make a payment of salary, wages, compensation, or other income to a consumer is not based on the provision of services by that consumer for or on behalf of such person.

(8) "Employer-integrated wage access services" means the business of delivering to consumers access to earned but unpaid income that is based on employment, income, or attendance data obtained directly or indirectly from an employer.

(9) "Fee" includes:

(a) A fee imposed by a provider for delivery or expedited delivery of proceeds to a consumer;

(b) A subscription or membership fee imposed by a provider for a bona fide group of services that includes earned wage access services; or

(c) An amount paid by an employer to a provider on a consumer's behalf, which entitles the consumer to receive proceeds at a reduced fee or no cost to the consumer.

(10) "License" means a license issued under the authority of this chapter.

(11) "Licensee" means a person to whom one or more licenses have been issued.

(12) "Nationwide mortgage licensing system" means a licensing system developed and maintained by the conference of state bank supervisors for licensing and registration.

(13) "Officer" means an official appointed by an earned wage access services company for the purpose of making business decisions or corporate decisions for the earned wage access services company.

(14) "Outstanding proceeds" means a payment of proceeds to a consumer by a provider that has not yet been repaid to that provider.

(15) "Person" means an individual, partnership, association, limited liability company, limited liability partnership, trust, corporation, and any other legal entity.

(16) "Principal" means any person who controls, directly or indirectly through one or more intermediaries, alone or in concert with others, a 10 percent or greater interest in a partnership, company, association, corporation, or a limited liability company, and is the owner of a sole proprietorship.

(17) "Proceeds" means a payment to a consumer by a provider that is based on earned but unpaid income.

(18) "Provider" means:

(a) A person who is in the business of offering and providing earned wage access services to consumers.

(b) "Provider" does not include any of the following:

(i) A service provider, such as a payroll service provider, whose role may include verifying the available earnings, but who is not contractually obligated to fund proceeds delivered as part of an earned wage access service; or

(ii) An employer that offers a portion of salary, wages, or compensation directly to its employees or independent contractors before the normally scheduled pay date.

NEW SECTION. **Sec.**  APPLICATION OF CHAPTER. (1) All offers and provisions of earned wage access services to a consumer by a provider, or persons subject to this chapter, are subject to the authority and restrictions of this chapter.

(2) This chapter does not apply to any person doing business under, and as permitted by, any law of this state or of the United States relating to banks, savings banks, trust companies, savings and loan or building and loan associations, or credit unions.

NEW SECTION. **Sec.**  LICENSE REQUIRED. Beginning July 1, 2026, no person may offer or provide earned wage access services in this state without first obtaining and maintaining a license in accordance with this chapter, except those exempt under section 2 of this act.

NEW SECTION. **Sec.**  LICENSE—APPLICATION—BACKGROUND CHECKS—FEE—SURETY BOND. (1) A person subject to this chapter shall apply for a license required under this chapter by submitting an application to the nationwide mortgage licensing system and registry or in the form prescribed by the director. The application must contain at least the following information:

(a) The name and the business addresses of the applicant;

(b) If the applicant is a partnership, limited liability company, or association, the name of every member;

(c) If the applicant is a corporation, the name, residence address, and telephone number of each officer and director;

(d) The street address, county, and municipality from which business is to be conducted or a statement that the business is to be conducted entirely online; and

(e) Other information that the director may require by rule.

(2)(a) As part of or in connection with an application for any license under this section, or periodically upon license renewal, each officer, director, and principal applicant must furnish identifying information, including:

(i) Fingerprints for submission to the Washington state patrol, the federal bureau of investigation, or any governmental agency or entity authorized to receive this information for a state and national criminal history background check;

(ii) Personal history;

(iii) Experience;

(iv) Business record;

(v) Purposes; and

(vi) Other pertinent facts, as the director may reasonably require.

(b) As part of or in connection with an application for a license under this chapter, or periodically upon license renewal, the director may receive criminal history record information that includes nonconviction data as defined in RCW 10.97.030. The department may only disseminate nonconviction data obtained under this section to criminal justice agencies.

(3) At the time of filing an application for a license under this chapter, each applicant shall pay to the director or through the nationwide mortgage licensing system and registry an investigation fee and the license fee in an amount determined by rule by the director to be sufficient to cover the director's costs in administering this chapter.

(4) Each applicant must file and maintain a surety bond, approved by the director, executed by the applicant as obligor and by a surety company authorized to do a surety business in this state as surety, whose liability as such surety must not exceed in the aggregate the penal sum of the bond. The penal sum of the bond must be a minimum of $30,000. The bond must run to the state of Washington as obligee for the use and benefit of the state and of any person or persons who may have a cause of action against the obligor under this chapter. The bond must be conditioned that the obligor as licensee will faithfully conform to and abide by this chapter and all the rules adopted under this chapter. The bond must pay to the state and any person or persons having a cause of action against the obligor all moneys that may become due and owing to the state and those persons under this chapter. The bond must be continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel the bond. The cancellation applies 45 days after the notice is received by the director. Instead of a surety bond, if the applicant is a Washington business corporation, the applicant may maintain unimpaired capital, surplus, and long-term subordinated debt in an amount that at any time its outstanding promissory notes or other evidences of debt, other than long-term subordinated debt, in an aggregate sum do not exceed three times the aggregate amount of its unimpaired capital, surplus, and long-term subordinated debt. The director may define qualifying "long-term subordinated debt" for purposes of this section.

(5) The director may waive one or more requirements of this section or permit an applicant to submit other information instead of the required information.

NEW SECTION. **Sec.**  LICENSE—DIRECTOR'S DUTIES. (1) The director shall issue and deliver a license to the applicant to offer and provide earned wage access services in accordance with this chapter if, after investigation, the director finds that:

(a) The applicant has paid all required fees;

(b) The applicant has submitted a complete application in compliance with section 4 of this act;

(c) Neither the applicant nor its officers or principals have had a license issued under this section or any other section, in this state or another state, revoked or suspended within the last five years of the date of filing of the application;

(d) Neither the applicant nor any of its officers or principals have been convicted of a gross misdemeanor involving dishonesty or financial misconduct or a felony or a violation of the banking laws of this state or of the United States within seven years of the filing of an application; and

(e) The financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the community and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter.

(2) If the director does not find the conditions of subsection (1) of this section have been met, the director may not issue the license. The director shall notify the applicant of the denial and return to the applicant the bond posted and the sum paid by the applicant as a license fee, retaining the investigation fee to cover the costs of investigating the application. The director shall approve or deny every application for license under this chapter within 90 days from the filing of a complete application with the fees and the approved bond.

NEW SECTION. **Sec.**  LICENSE—INFORMATION CONTAINED. (1) The license must display the following information:

(a) The address at which the business is to be conducted or whether the business is to be conducted entirely online;

(b) The full name of the licensee, and, if the licensee is a copartnership or association, the names of its members; and

(c) If the licensee is a corporation, the date and place of its incorporation.

(2) The license is not transferable or assignable.

NEW SECTION. **Sec.**  LICENSEE—ASSESSMENT—BOND TIME—TIME OF PAYMENT. A licensee shall, for each license held, on or before the first day of each March, pay to the director an annual assessment as determined by rule by the director. The licensee is responsible for payment of the annual assessment for the previous calendar year if the licensee had a license for any time during the preceding calendar year, regardless of whether they surrendered their license during the calendar year or whether their license was suspended or revoked. At the same time, the licensee shall file with the director the required bond or otherwise demonstrate compliance with section 4 of this act.

NEW SECTION. **Sec.**  LICENSING—APPLICATIONS—REGULATION OF LICENSEES—DIRECTOR'S DUTIES AND AUTHORITY—FINES—ORDERS—STATUTE OF LIMITATIONS. (1) The director shall enforce all laws and rules relating to the licensing and regulation of licensees and persons subject to this chapter.

(2) The director may deny applications for licenses for:

(a) Failure of the applicant to demonstrate within its application for a license that it meets the requirements for licensing in sections 4 and 5 of this act;

(b) Violation of an order issued by the director under this chapter or another chapter administered by the director including, but not limited to, cease and desist orders and temporary cease and desist orders;

(c) Revocation or suspension of a license to offer or provide earned wage access services by this state, another state, or by the federal government within five years of the date of submittal of a complete application for a license; or

(d) Filing an incomplete application when that incomplete application has been filed with the department for 60 or more days, provided that the director has given notice to the licensee that the application is incomplete, informed the applicant why the application is incomplete, and allowed at least 20 days for the applicant to complete the application.

(3) The director may condition, suspend, or revoke a license issued under this chapter if the director finds that:

(a) The licensee has failed to pay any fee due to the state of Washington, has failed to maintain in effect the bond or permitted substitute required under this chapter, or has failed to comply with any specific order or demand of the director lawfully made and directed to the licensee in accordance with this chapter;

(b) The licensee, either knowingly or without the exercise of due care, has violated any provision of this chapter or any rule adopted under this chapter;

(c) A fact or condition exists that, if it had existed at the time of the original application for the license, clearly would have allowed the director to deny the application for the original license; or

(d) The licensee failed to comply with any directive, order, or subpoena issued by the director under this chapter.

(4) The director may condition, revoke, or suspend the license with respect to which grounds for conditioning, revocation, or suspension may occur or exist.

(5) The director may impose fines of up to $100 per day, per violation, upon the licensee or other person subject to this chapter for:

(a) Any violation of this chapter; or

(b) Failure to comply with any directive, order, or subpoena issued by the director under this chapter.

(6) The director may issue an order directing the licensee or other person subject to this chapter to:

(a) Cease and desist from conducting business in a manner that is injurious to the public or violates any provision of this chapter;

(b) Take such affirmative action as is necessary to comply with this chapter;

(c) Make a refund or restitution to a consumer who is damaged as a result of a violation of this chapter; or

(d) Refund all fees received through any violation of this chapter.

(7) The director may issue an order removing from office or prohibiting from participation in the affairs of any licensee, or both, any officer, principal, or any person subject to this chapter for:

(a) False statements or omission of material information from an application for a license that, if known, would have allowed the director to deny the original application for a license;

(b) Conviction of a gross misdemeanor involving dishonesty or financial misconduct or a felony;

(c) Suspension or revocation of a license to offer or provide earned wage access services in this state or another state;

(d) Failure to comply with any order or subpoena issued under this chapter; or

(e) Failure to obtain a license for activity that requires a license.

(8) Except to the extent prohibited by another statute, the director may engage in informal settlement of complaints or enforcement actions including, but not limited to, payment to the department for purposes of financial literacy and education programs authorized under RCW 43.320.150. If any person subject to this chapter makes a payment to the department under this section, the person may not advertise such payment.

(9) Whenever the director determines that the public is likely to be substantially injured by delay in issuing a cease and desist order, the director may immediately issue a temporary cease and desist order. The order may direct the licensee to discontinue any violation of this chapter, to take such affirmative action as is necessary to comply with this chapter, and may include a summary suspension of the licensee's license and may order the licensee to immediately cease the conduct of business under this chapter. The order becomes effective at the time specified in the order. Every temporary cease and desist order must include a provision that a hearing must be held upon request to determine whether the order will become permanent. Such hearing must be held within 14 days of receipt of a request for a hearing unless otherwise specified in chapter34.05 RCW.

(10) A licensee may surrender a license by delivering to the director written notice of surrender, but the surrender does not affect the licensee's civil or criminal liability, if any, for acts committed before the surrender, including any administrative action initiated by the director to suspend or revoke a license, impose fines, compel the payment of restitution to borrowers or other persons, or exercise any other authority under this chapter. The statute of limitations on actions not subject to RCW 4.16.160 that are brought under this chapter by the director is five years.

(11) The revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and a consumer.

(12) Every license issued under this chapter remains in force and effect until it has been surrendered, revoked, or suspended in accordance with this chapter. However, the director may reinstate suspended licenses or issue new licenses to a licensee whose license or licenses have been revoked if the director finds that the licensee meets all the requirements of this chapter.

(13) A license issued under this chapter expires upon the licensee's failure to comply with the annual assessment requirements in section 7 of this act. The department must provide notice of the expiration to the address of record provided by the licensee. On the 15th day after the department provides notice, if the assessment remains unpaid, the license expires. The licensee must receive notice before expiration and have the opportunity to stop the expiration as set forth in rule.

NEW SECTION. **Sec.**  LICENSEE'S OBLIGATIONS. A person required to be licensed under this chapter shall comply with the following requirements:

(1) Develop and implement policies and procedures to respond to questions raised by consumers and address complaints from consumers in an expedient manner;

(2) Whenever a provider offers a consumer the option to receive proceeds for a fee, offer that consumer at least one reasonable option to obtain proceeds at no cost and clearly explain how to elect that no-cost option;

(3) Before entering into an agreement with a consumer for the provision of earned wage access services, do both of the following:

(a) Inform the consumer of their rights under the agreement;

(b) Fully and clearly disclose all fees associated with the earned wage access services; and

(c) Inform the consumer of the services and fees associated with subscriptions or memberships that are not provided for in section 10(4) of this act;

(4) Inform the consumer of any material changes to the terms and conditions of the earned wage access services before implementing those changes for that consumer;

(5) Allow the consumer to cancel use of the licensee's earned wage access services at any time, without incurring a cancellation fee imposed by the licensee;

(6) Comply with all applicable local, state, and federal privacy and information security laws;

(7) If a licensee solicits, charges, or receives a tip, gratuity, or other donation from a consumer, the licensee shall do both of the following:

(a) Clearly and conspicuously disclose to the consumer immediately before each transaction that a tip, gratuity, or other donation amount may be zero and is voluntary; and

(b) Clearly and conspicuously disclose in its service contract with the consumer and elsewhere that tips, gratuities, or donations are voluntary and that the offering of earned wage access services, including the amount of proceeds a consumer is eligible to request and the frequency with which proceeds are provided to a consumer, is not contingent on whether the consumer pays any tip, gratuity, or other donation or on the size of the tip, gratuity, or other donation;

(8) Provide proceeds to a consumer by any means mutually agreed upon by the consumer and the licensee;

(9) If the licensee will seek repayment of outstanding proceeds or payment of fees or other amounts owed, including voluntary tips, gratuities, or other donations, in connection with the activities covered by this chapter, from a consumer's depository institution, including by means of electronic funds transfer, the licensee shall do both of the following:

(a) Comply with applicable provisions of the federal electronic funds transfer act, 15 U.S.C. Sec. 1693 et seq., and regulations adopted under that act; and

(b) Reimburse the consumer for the full amount of any overdraft or nonsufficient funds fees imposed on a consumer by the consumer's depository institution that were caused by the licensee attempting to seek payment of any outstanding proceeds, fees, or other payments, in connection with the activities covered by this chapter, including voluntary tips, gratuities, or other donations, on a date before, or in an incorrect amount from, the date or amount disclosed to the consumer. However, the licensee is not subject to the requirements of this subsection with respect to payments of outstanding amounts or fees incurred by a consumer through fraudulent or other unlawful means.

NEW SECTION. **Sec.**  PROHIBITED ACTS BY LICENSEES. A person required to be licensed under this chapter may not do any of the following:

(1) Share with an employer a portion of any fees, voluntary tips, gratuities, or other donations that were received from or charged to a consumer for earned wage access services;

(2) Require a consumer's credit report or a credit score provided or issued by a consumer reporting agency to determine a consumer's eligibility for earned wage access services;

(3) Accept payment of outstanding proceeds, fees, voluntary tips, gratuities, or other donations from a consumer by means of a credit card or charge card;

(4) Charge a fee for delivery or expedited delivery in excess of $7.00 per earned wage access services transaction;

(5) Charge a late fee, deferral fee, interest, or any other penalty or charge for failure to pay outstanding proceeds, fees, voluntary tips, gratuities, or other donations;

(6) Report to a consumer reporting agency or debt collector any information about the consumer regarding the inability of the provider to be repaid outstanding proceeds, fees, voluntary tips, gratuities, or other donations;

(7)(a) Compel or attempt to compel payment by a consumer of outstanding proceeds, fees, voluntary tips, gratuities, or other donations to the provider through any of the following means:

(i) Use of unsolicited outbound telephone calls;

(ii) A suit against the consumer in a court of competent jurisdiction;

(iii) Use of a third party to pursue collection from the consumer on the provider's behalf; or

(iv) Sale of outstanding amounts to a third-party collector or debt buyer for collection from the consumer.

(b) This subsection (7) does not preclude the use by a licensee of any of the foregoing methods to compel payment of outstanding amounts or fees incurred by a consumer through fraudulent or other unlawful means, nor does this subsection preclude a licensee from pursuing an employer for breach of its contractual obligations to the licensee;

(8) If the provider solicits, charges, or receives tips, gratuities, or other donations from a consumer, do any of the following:

(a) Mislead or deceive consumers about the voluntary nature of the tips, gratuities, or donations;

(b) Make representations that tips, gratuities, or other donations will benefit any specific individuals; or

(c) Present such voluntary payments as a default option to the consumer.

NEW SECTION. **Sec.**  VIOLATIONS. It is a violation of this chapter for a licensee, its officers, board members, or any other person subject to this chapter to:

(1) Directly or indirectly employ any scheme, device, or artifice to defraud or mislead any consumer;

(2) Directly or indirectly engage in any unfair or deceptive practice toward any consumer;

(3) Make, in any manner, any false or deceptive statement or representation with regard to the earned wage access services offered and provided by the licensee;

(4) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any reports filed with the department by a licensee or in connection with any investigation conducted by the department; or

(5) Violate any applicable state or federal law relating to the activities governed by this chapter.

NEW SECTION. **Sec.**  ADVERTISEMENTS OR PROMOTIONS. A licensee may not advertise, print, display, publish, distribute, or broadcast or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner whatsoever, any statement or representation with regard to the terms and conditions of earned wage access services that is false, misleading, or deceptive.

NEW SECTION. **Sec.**  SUBPOENA AUTHORITY—APPLICATION—CONTENTS—NOTICE—FEES. (1) The director or authorized assistants may apply for and obtain a superior court order approving and authorizing a subpoena in advance of its issuance. The application may be made in the county where the subpoenaed person resides or is found, or the county where the subpoenaed documents, records, or evidence are located, or in Thurston county. The application must:

(a) State that an order is sought under this section;

(b) Adequately specify the documents, records, evidence, or testimony; and

(c) Include a declaration made under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the department's authority and that the subpoenaed documents, records, evidence, or testimony are reasonably related to an investigation within the department's authority.

(2) When an application under this section is made to the satisfaction of the court, the court must issue an order approving the subpoena. An order under this subsection constitutes authority of law for the agency to subpoena the documents, records, evidence, or testimony.

(3) The director or authorized assistants may seek approval and a court may issue an order under this section without prior notice to any person, including the person to whom the subpoena is directed and the person who is the subject of an investigation. An application for court approval is subject to the fee and process set forth in RCW 36.18.012(3).

NEW SECTION. **Sec.**  INVESTIGATIONS AND EXAMINATIONS—DIRECTOR'S DUTIES AND POWERS—PRODUCTION OF INFORMATION—COSTS. (1) For the purpose of discovering violations of this chapter or securing information lawfully required under this chapter, the director may at any time, either personally or by designees, investigate or examine the business and, wherever located, the books, accounts, records, papers, documents, files, and other information used in the business of every licensee and of every person subject to this chapter, whether the person acts or claims to act as principal or agent, or under or without the authority of this chapter. The director or designated representative:

(a) Must have free access to the employees, offices, and places of business, books, accounts, papers, documents, other information, records, files, safes, and vaults of all such persons during normal business hours;

(b) May require the attendance of and examine under oath all persons whose testimony may be required about the business or the subject matter of any investigation, examination, or hearing and may require such persons to produce books, accounts, papers, records, files, and any other information the director or designated persons deem relevant to the inquiry;

(c) May require by directive, subpoena, or any other lawful means the production of original books, accounts, papers, records, files, and other information; may require that such original books, accounts, papers, records, files, and other information be copied; or may make copies of such original books, accounts, papers, records, files, or other information; and

(d) May issue a subpoena or subpoena duces tecum requiring attendance by any person identified in this section or compelling production of any books, accounts, papers, records, files, or other documents or information identified in this section.

(2) The director must make such periodic examinations of the affairs, business, office, and records of each licensee as determined by rule.

(3) Every licensee examined or investigated by the director or the director's designee must pay to the director the cost of the examination or investigation of each licensed place of business as determined by rule by the director.

(4) In order to carry out the purposes of this section, the director may:

(a) Retain attorneys, accountants, or other professionals and specialists as examiners, auditors, or investigators to conduct or assist in the conduct of examinations or investigations;

(b) Enter into agreements or relationships with other government officials or regulatory associations in order to improve efficiencies and reduce regulatory burden by sharing resources, standardized or uniform methods or procedures, and documents, records, information, or evidence obtained under this section;

(c) Use, hire, contract, or employ public or privately available analytical systems, methods, or software to examine or investigate the licensee;

(d) Accept and rely on examination or investigation reports made by other government officials, within or without this state;

(e) Accept audit reports made by an independent certified public accountant for the licensee in the course of that part of the examination covering the same general subject matter as the audit and may incorporate the audit report in the report of the examination, report of investigation, or other writing of the director; or

(f) Assess the licensee the cost of the services in (a) of this subsection.

NEW SECTION. **Sec.**  LICENSEE—RECORDKEEPING—DIRECTOR'S ACCESS—REPORT REQUIREMENT—FAILURE TO REPORT. (1) The licensee shall keep and use in the business such books, accounts, records, papers, documents, files, and other information as will enable the director to determine whether the licensee is complying with this chapter and with the rules adopted by the director under this chapter. The director shall have free access to such books, accounts, records, papers, documents, files, and other information wherever located. Every licensee shall preserve the books, accounts, records, papers, documents, files, and other information relevant to an earned wage access services transaction for at least three years. A licensee or person subject to examination or investigation under this chapter may not withhold, abstract, remove, mutilate, destroy, or secrete any books, accounts, records, papers, documents, files, or other information.

(2) Each licensee shall, on or before the first day of July of each year, file a report with the director giving relevant information concerning the earned wage access services business and operations of each licensee during the preceding calendar year, including all of the following information:

(a) Gross revenue attributable to those earned wage access services;

(b) The total number of transactions in which the licensee provided proceeds to consumers;

(c) The total number of unique consumers to whom the licensee provided proceeds;

(d) The total dollar amount of proceeds the licensee provided to consumers;

(e) The total dollar amount of fees, voluntary tips, gratuities, or other donations the licensee received from consumers;

(f) The total number of transactions in which the proceeds were provided to consumers for which the provider did not receive repayment of any outstanding proceeds;

(g) The total dollar amount of transactions described under (f) of this subsection;

(h) The total number of transactions in which proceeds were provided to consumers for which the licensee received partial repayment of outstanding proceeds;

(i) The total dollar amount of transactions described under (h) of this subsection and the total dollar amount of unpaid outstanding proceeds attributable to those transactions;

(j) The total number of transactions in which outstanding proceeds were repaid after the original scheduled repayment date; and

(k) The total dollar amount of transactions described under (j) of this subsection.

(3) The report must be made under oath and must be in the form prescribed by the director, who shall make and publish annually an analysis and recapitulation of the reports. Every licensee that fails to file the report required by this chapter within the time required under this chapter is subject to a penalty of $50 per day for each day's delay. The attorney general may bring a civil action in the name of the state for recovery of any such penalty.

NEW SECTION. **Sec.**  DIRECTOR—BROAD ADMINISTRATIVE DISCRETION—RULE MAKING—ACTIONS IN SUPERIOR COURT. (1) The director has the power, and broad administrative discretion, to administer and interpret this chapter to facilitate the delivery of earned wage access services to the citizens of this state by persons subject to this chapter. The director shall adopt all rules necessary to administer this chapter and to ensure complete and full disclosure by licensees of earned wage access services transactions governed by this chapter.

(2) If it appears to the director that a licensee is conducting business in an injurious manner or is violating any provision of this chapter, the director may order or direct the discontinuance of any such injurious or illegal practice.

(3) The director or designated persons, with or without prior administrative action, may bring an action in superior court to enjoin the acts or practices that constitute violations of this chapter and to enforce compliance with this chapter or any rule or order made under this chapter. Upon proper showing, injunctive relief or a temporary restraining order must be granted. The director shall not be required to post a bond in any court proceedings.

(4) For purposes of this section, "conducting business in an injurious manner" means conducting business in a manner that violates any provision of this chapter or that creates the reasonable likelihood of a violation of any provision of this chapter.

NEW SECTION. **Sec.**  VIOLATION—NO PENALTY PRESCRIBED—GROSS MISDEMEANOR—GOOD FAITH EXCEPTION. (1) A person who violates, or knowingly aids or abets in the violation of any provision of this chapter, for which no penalty has been prescribed, and a person who fails to perform any act that is the person's duty to perform under this chapter and for which no penalty has been prescribed for failure to do so, is guilty of a gross misdemeanor.

(2) A provision imposing civil penalties or criminal liability under this chapter or rule adopted under this chapter does not apply to an act taken or omission made in good faith in conformity with a written notice, interpretation, or examination report of the director or the director's agent.

NEW SECTION. **Sec.**  APPLICABILITY. (1) Notwithstanding any other provision of law, earned wage access services offered and provided by a licensee in accordance with this chapter may not be considered to be any of the following:

(a) A violation of or noncompliance with any law of this state governing deductions from wages or the purchase, sale or assignment of, or an order for, earned but unpaid income;

(b) A loan or other form of credit or debt, nor shall the provider be considered a creditor, credit grantor, credit service business, debt collector, or lender with respect thereto; or

(c) Money transmission, nor shall the provider be considered a money transmitter for purposes of any law of this state.

(2) Notwithstanding any other provision of law, fees, voluntary tips, gratuities, or other donations paid by a consumer to a licensee in accordance with this chapter shall not be considered interest or finance charges. If there is a conflict between the provisions of this chapter and any other statute, the provisions of this chapter control.

NEW SECTION. **Sec.**  APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. The proceedings for denying license applications, issuing cease and desist orders, suspending or revoking licenses, and imposing civil penalties or other remedies under this chapter, and any review or appeal of such action, are governed by the provisions of the administrative procedure act, chapter 34.05 RCW.

NEW SECTION. **Sec.**  ENFORCEMENT OF CHAPTER—DIRECTOR'S DISCRETION—HEARING—SANCTIONS—RECOVERY OF COSTS. (1) The director or designated persons may, at their discretion, take such action as provided for in this chapter to enforce this chapter. If the person subject to such action does not appear in person or by counsel at the time and place designated for any administrative hearing that may be held on the action, then the person is deemed to consent to the action. If the person subject to the action consents, or if after hearing the director finds by a preponderance of the evidence that any grounds for sanctions under this chapter exist, then the director may impose any sanction authorized by this chapter.

(2) The director may recover the state's costs and expenses for prosecuting violations of this chapter including staff time spent preparing for and attending administrative hearings and reasonable attorneys' fees unless, after a hearing, the director determines no violation occurred.

NEW SECTION. **Sec.**  SHORT TITLE. This chapter may be known and cited as the Washington state earned wage access services act.

NEW SECTION. **Sec.**  Sections 1 through 21 of this act constitute a new chapter in Title 31 RCW.

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