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**SENATE BILL 5363**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Lovick, J. Wilson, Chapman, and Wagoner

Read first time 01/20/25. Referred to Committee on Business,  
Financial Services & Trade.

1 AN ACT Relating to modernizing payment systems by expanding  
2 consumer-friendly transaction options for registered tow truck  
3 operators and regulated businesses; adding a new section to chapter  
4 19.200 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that registered  
7 tow truck operators play a critical role in maintaining public safety  
8 and ensuring the smooth operation of transportation systems across  
9 Washington state. A significant portion of their work involves  
10 responding to calls from law enforcement, fire departments, and other  
11 public agencies, often under urgent and challenging conditions.  
12 Despite the essential nature of their services, registered tow truck  
13 operators in Washington state frequently do not receive compensation  
14 for many of the vehicles they are required to tow. This creates a  
15 substantial financial burden, especially for small businesses  
16 operating in this sector.

17 (2) Furthermore, while unregulated businesses are permitted to  
18 recover credit card processing fees by transparently passing those  
19 costs on to consumers, regulated businesses, including tow truck  
20 operators, are not afforded this same ability. This results in an  
21 economic disadvantage, particularly for operators already facing

1 significant expenses related to unreimbursed tows and the costs of  
2 maintaining compliance with state regulations. Notably, the state of  
3 Washington itself imposes convenience fees on consumers for credit  
4 and debit card transactions related to state services, including  
5 licensing, property taxes, and court payments. In 2021, Washington  
6 state enacted legislation requiring the department of licensing to  
7 charge transaction fees for credit card payments, further  
8 illustrating the necessity of such cost-recovery mechanisms. For  
9 example, RCW 46.01.235 authorizes the department of licensing to  
10 charge fees for electronic payment transactions.

11 (3) The legislature recognizes the urgent need to modernize  
12 payment systems for regulated businesses, ensuring they can recover  
13 credit card transaction fees in a transparent and consumer-friendly  
14 manner. This modernization would align the practices of regulated  
15 businesses with those already implemented by the state and  
16 unregulated industries, fostering fairness and economic  
17 sustainability.

18 (4) By addressing these inequities, this act aims to support  
19 small businesses providing essential public safety services, promote  
20 fair economic practices, and ensure consumers continue to have access  
21 to transparent payment options. Establishing a consistent framework  
22 for credit card transaction fees will help preserve the viability of  
23 critical services while protecting consumer choice.

24 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.200  
25 RCW to read as follows:

26 (1) Businesses whose fees or charges are regulated in Washington  
27 state are allowed to charge a transaction fee for processing a credit  
28 card payment provided that:

29 (a) A no-cost payment option is always available to the consumer;  
30 and

31 (b) The no-cost payment option is disclosed to the consumer at  
32 the same time and in the same manner as the consumer's credit card  
33 information is taken.

34 (2) The transaction fee amount shall not exceed three percent of  
35 the payment amount.

1           (3) For purposes of this section, "credit card payment" means any  
2 payment made by a payment card that incurs an interchange fee,  
3 regardless of the type of payment card used.

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