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**HOUSE BILL 1727**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Chapman and Cheney

1 AN ACT Relating to ensuring fairness and consistency for  
2 Washington state businesses by leveling the playing field on  
3 transaction fees for regulated entities in Washington who process  
4 electronic payments; adding a new section to chapter 19.200 RCW; and  
5 creating a new section.

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

7 NEW SECTION. **Sec. 1.** Customer payments by credit card have  
8 increased by more than 300 percent over the past decade and  
9 corresponding transaction fees that are charged for the use of credit  
10 cards have increased drastically as well. Unregulated Washington  
11 state businesses are allowed to pass along the cost of this credit  
12 card transaction fee by disclosing it to the consumer and allowing  
13 the consumer to make the choice of using a credit card or paying with  
14 another payment method that does not incur a transaction fee.

15 Just as unregulated businesses in Washington state are allowed to  
16 charge a transaction fee for credit card payments, businesses whose  
17 fees or charges are regulated by law as to what they can charge for  
18 their services should also be allowed to charge a transaction fee for  
19 processing a credit card payment. The state of Washington now widely  
20 charges a transaction fee for credit card payments for licensing,  
21 property taxes, courts, colleges, and other transactions. Fairness

1 and consistency dictate that private regulated businesses should have  
2 the same ability to charge consumers for the transaction fee that  
3 they are incurring on behalf of the consumer who wishes to pay by  
4 credit card so long as a free payment option is available, and the  
5 consumer is informed.

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

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

11 (a) A no-cost payment option is always available to the debtor;  
12 and

13 (b) The no-cost payment option is disclosed to the debtor at the  
14 same time and in the same manner as the debtor's credit card  
15 information is taken.

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

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

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