
HOUSE BILL 1895

State of Washington

54th Legislature

1995 Regular Session

By Representatives L. Thomas, Huff and Pelesky

Read first time 02/14/95. Referred to Committee on Transportation.

1 AN ACT Relating to dishonored checks; adding a new section to
2 chapter 46.20 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that the problem of
5 dishonored checks and check fraud is rising significantly. This
6 primarily is due to an antiquated national system for check payment and
7 processing and to the practice followed by financial institutions and
8 retailers of offering customers quick, hassle-free service. While
9 dishonored checks and check fraud cause higher expenses for retailers
10 and financial institutions, the citizens of this state ultimately pay
11 for this problem in higher prices and service fees. The legislature
12 intends to reduce the problem of dishonored checks by conditioning the
13 privilege of renewing a driver's license on the licensee honoring
14 checks written by the licensee.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.20 RCW
16 to read as follows:

17 (1) The department shall not approve an application to renew a
18 driver's license under RCW 46.20.181 if the department receives

1 information that the applicant has an outstanding dishonored check at
2 the time of application as provided in subsection (2) of this section.

3 (2) The department shall establish a process for receiving
4 information from payees or holders of dishonored checks. The
5 information shall include, but is not limited to, the name of the payee
6 or holder, the name and driver's license number of the payor, and the
7 check number of the dishonored check. The process required in this
8 subsection must also provide for receiving information from the payee
9 or holder that a check reported to the department as dishonored later
10 has been paid. The department may consider information provided by the
11 applicant in determining whether the applicant has an outstanding
12 dishonored check at the time of application.

13 (3) The department may collect the amount of the dishonored check
14 or checks described in subsection (2) of this section, plus a fee of
15 fifteen dollars to cover the department's administrative costs, and
16 then issue the license to the applicant if the other requirements of
17 this chapter, including fees, are satisfied. The department shall
18 forward amounts collected under this subsection for dishonored checks,
19 less the fifteen dollar administrative fee, to the payee or holder
20 included in the information under subsection (2) of this section.

21 (4) The department is not liable for incorrect information provided
22 to it under subsection (2) of this section.

23 (5) For purposes of this section, "dishonored check" means
24 nonpayment or nonacceptance of a check, where the check has been
25 presented and dishonored twice, where notice of dishonor has been
26 provided, where twenty days have passed since the check was written,
27 and where the check remains unpaid. A check is not considered to be
28 dishonored if payment was not made based on a stop payment order.

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