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HOUSE BILL 1858

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Bray, Roland and Haugen.

Read first time February 12, 1991. Referred to Committee on Local Government.

1            AN ACT Relating to employee check, draft, or warrant cashing by  
2 cities and towns; adding a new section to chapter 35.21 RCW; and adding  
3 a new section to chapter 35A.40 RCW.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 35.21 RCW  
6 to read as follows:

7            Any city or town is hereby authorized, at its option and after the  
8 adoption of the appropriate ordinance, to accept in exchange for cash  
9 a payroll check, draft, or warrant; expense check; or personal check  
10 from a city or town employee in accordance with the following  
11 conditions:

12            (1) The check, warrant, or draft must be drawn to the order of cash  
13 or bearer and be immediately payable by a drawee financial institution;

14            (2) The person presenting the check, draft, or warrant to the city

1 or town must produce identification as outlined by the city or town in  
2 the authorizing ordinance;

3 (3) The payroll check, draft, or warrant or expense check must have  
4 been issued by the city or town; and

5 (4) Personal checks cashed pursuant to this authorization cannot  
6 exceed two hundred dollars.

7 In the event that any personal check cashed for a city or town  
8 employee by the city or town under this section is dishonored by the  
9 drawee financial institution when presented for payment, the city or  
10 town is authorized, after notice to the drawer or endorser of the  
11 dishonor, to withhold from the drawer's or endorser's next payroll  
12 check, draft, or warrant the full amount of the dishonored check.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 35A.40 RCW  
14 to read as follows:

15 Any code city is hereby authorized, at its option and after the  
16 adoption of the appropriate ordinance, to accept in exchange for cash  
17 a payroll check, draft, or warrant; expense check; or personal check  
18 from a city employee in accordance with the following conditions:

19 (1) The check, warrant, or draft must be drawn to the order of cash  
20 or bearer and be immediately payable by a drawee financial institution;

21 (2) The person presenting the check, draft, or warrant to the city  
22 must produce identification as outlined by the city in the authorizing  
23 ordinance;

24 (3) The payroll check, draft, or warrant or expense check must have  
25 been issued by the city; and

26 (4) Personal checks cashed pursuant to this authorization cannot  
27 exceed two hundred dollars.

28 In the event that any personal check cashed for a city employee by  
29 the city under this section is dishonored by the drawee financial

1 institution when presented for payment, the city is authorized, after  
2 notice to the drawer or endorser of the dishonor, to withhold from the  
3 drawer's or endorser's next payroll check, draft, or warrant the full  
4 amount of the dishonored check.