

HOUSE BILL REPORT

HB 1865

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to powers of the supervisor of banking to prevent check cashers and sellers from operating without a required license.

Brief Description: Preventing check cashers and sellers from operating without a license.

Sponsors: Representatives Mielke, Kremen, Zellinsky, Dorn, R. Meyers, Schmidt, Tate and Dellwo.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, February 24, 1993,
DP.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 15 members:
Representatives Zellinsky, Chair; Scott, Vice Chair; Mielke,
Ranking Minority Member; Dyer, Assistant Ranking Minority
Member; Anderson; Dellwo; Dorn; Grant; R. Johnson; Kessler;
Kremen; Lemmon; R. Meyers; Reams; and Tate.

Staff: John Conniff (786-7119).

Background: In 1991, the Legislature adopted a comprehensive licensing statute for persons and organizations engaged in the business of cashing and selling checks. Under the act, the supervisor of banking was granted authority to issue a cease and desist order to check cashers and sellers who violate the act; however, the statute limits this power to persons and organizations who already maintain the required license. If a person or organization fails to obtain the necessary license, the Office of the Attorney General must bring a Consumer Protection Act claim against the offending person or organization. Bringing such an action is a time consuming and expensive process for the enforcement of state licensing requirements.

Summary of Bill: The supervisor of banking may issue cease and desist orders against any check casher or seller who is operating without the appropriate state license.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Check cashing and selling companies who have obtained a license do not want to see other companies engaged in the same business escape state regulations designed to ensure professionalism in the industry.

Testimony Against: None.

Witnesses: Mark McDonald, Washington Check Cashers Association (pro).