

# HOUSE BILL REPORT

## SSB 5176

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As Reported By House Committee On:  
Financial Institutions & Insurance

**Title:** An act relating to the cashing of government issued checks or warrants.

**Brief Description:** Concerning the cashing of government issued checks or warrants.

**Sponsors:** Senate Committee on Labor & Commerce (originally sponsored by Senators Vognild, Pelz, Moore, Wojahn and Fraser).

**Brief History:**

Reported by House Committee on:  
Financial Institutions & Insurance, April 1, 1993, DPA.

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### HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass as amended. Signed by 16 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; Schmidt; and Tate.

**Staff:** John Conniff (786-7119).

**Background:** Some financial institutions will not cash a government issued check or public assistance check for a non-customer. Those institutions that will cash such checks sometimes charge a fee for the service. Some institutions charge a fixed fee, ranging from less than \$1 to \$7. Other institutions charge a fee of approximately 2 percent of the face amount of the check. Many of these financial institutions are qualified public depositories that hold public funds.

Qualified public depositories are those financial institutions approved by the Washington Public Deposit Protection Commission to accept public funds and include many commercial banks, savings banks, and savings and loan associations.

**Summary of Amended Bill:** State financial institution regulators in conjunction with the State Treasurer's Office

and the Department of Social and Health Services are required to study methods to facilitate fund transfers from the state to public assistance recipients including limitation on check cashing fees, low cost checking accounts, and greater use of automated fund transfer systems.

**Amended Bill Compared to Substitute Bill:** All substantive provisions are replaced with a study.

**Fiscal Note:** Available.

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

**Testimony For:** None.

**Testimony Against:** None.

**Witnesses:** None.