

HOUSE BILL REPORT

HB 1525

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to information provided by banks for customers' examination of negotiable instruments.

Brief Description: Lowering the number of items provided by banks for customers' examination of negotiable instruments.

Sponsors: Representatives L. Thomas, Beeksma, Benton, Smith and McMahan.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/8/95, 2/9/95 [DP].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 13 members: Representatives L. Thomas, Chairman; Beeksma, Vice Chairman; Smith, Vice Chairman; Wolfe, Ranking Minority Member; Grant, Assistant Ranking Minority Member; Benton; Campbell; Dellwo; Dyer; Huff; Kessler; Ogden and Pelesky.

Staff: Charlie Gavigan (786-7340).

Background: In 1993, Uniform Commercial Code Articles 3 and 4 were substantially revised in accordance with recommendations of the National Conference of Commissioners on Uniform State Laws. The effective date of these changes was July 1, 1994.

One of the provisions adopted in 1993 requires banks to provide five copies of items on a customer's statement of account free of charge. The charge for any item over five is 50 cents plus retrieval fees (not to exceed the rate assessed when retrieving documents under Internal Revenue Service summons). "Bank" is defined to include commercial bank, savings bank, savings and loan association, credit union, and trust company.

Summary of Bill: Banks and other financial institutions must provide two copies rather than five copies of items on a customer's statement of account free of charge.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect July 1, 1995.

Testimony For: Providing copies of account items costs financial institutions money; customers should bear some of that cost if more than two copies from a particular statement are needed. Also, allowing too many free copies may encourage extra requests.

Testimony Against: None.

Testified: Gary Gardner, Boeing Credit Union (pro).