

# SENATE BILL REPORT

## SB 6022

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As Reported By Senate Committee On:  
Financial Institutions, Insurance & Housing, March 5, 1997

**Title:** An act relating to confidential and privileged information concerning financial institutions.

**Brief Description:** Protecting certain information concerning financial institutions.

**Sponsors:** Senators Winsley and Hale.

**Brief History:**

**Committee Activity:** Financial Institutions, Insurance & Housing: 3/5/97 [DPS].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

**Majority Report:** That Substitute Senate Bill No. 6022 be substituted therefor, and the substitute bill do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey and Kline.

**Staff:** Catherine Mele (786-7470)

**Background:** Under current law, examination reports and documents obtained by the Department of Financial Institutions are confidential and privileged information. In a civil action when such information is sought, the court may permit discovery and introduction as evidence of only those documents that are relevant and otherwise unobtainable by the requesting party.

Check cashers and sellers apply to the Department of Financial Institutions for a license to engage in business. In order to apply for the license, a check casher and seller must file an application with the Department of Financial Institutions. Any information in the application regarding residential address and telephone number is exempt from public records disclosure requirements.

All records of registered broker-dealers and investment advisors are subject to periodic examinations by the Director of the Department of Financial Institutions. Under current law, these records are not confidential once obtained by the department.

There are concerns that all confidential information received by the Department of Financial Institutions should be explicitly exempt from the requirements of the Public Disclosure Act.

**Summary of Substitute Bill:** Examination reports and information obtained by the Department of Financial Institutions are specifically exempt from the Public Disclosure Act.

**Substitute Bill Compared to Original Bill:** The substitute bill makes it clear that only the application information of check cashers and sellers is exempt from the public disclosure laws. The substitute bill makes broker-dealer and investment adviser records obtained by the Department of Financial Institutions exempt from the public disclosure laws.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This bill was the result of a compromise created when the committee considered the credit union bill. Under this bill, all financial institution examination information will be explicitly exempt from the Public Disclosure Act.

**Testimony Against:** None

**Testified:** Senator Winsley, prime sponsor.