

SENATE BILL REPORT

SB 6375

As Passed Senate, February 12, 1998

Title: An act relating to the rates of interest and other fees charged by pawnbrokers.

Brief Description: Setting the rates of interest and other fees charged by pawnbrokers.

Sponsors: Senators Winsley, Prentice, Sellar, Hale and Benton.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 1/27/98, 2/5/98 [DP].
Passed Senate, 2/12/98, 34-14.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass.

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

Staff: Joanne Conrad (786-7472)

Background: The state of Washington has regulated the interest and fees charged by pawnbrokers since 1909. The interest and fees are periodically increased, with the last increase in the fee schedule occurring in 1991.

Summary of Bill: The amount of interest pawnbrokers are allowed by statute to charge is increased by 50 cents for amounts less than \$100, and by 2 percent (from 3 percent to 5 percent) for each 30-day period for amounts over \$100.

The fees permitted by statute for the preparation of loan documents are increased by amounts varying from 50 cents to \$5, depending upon the dollar value of the loan.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: There has been no increase in fees and interest for several years. This statutory increase is needed, due to the rising costs of doing business.

Testimony Against: None.

Testified: Tamara Warnke, Nick Buell, Washington State Pawnbrokers; John Siniheimer.