

SENATE BILL REPORT

SSB 6402

As Passed Senate, February 12, 2004

Title: An act relating to giving landlords the flexibility to deposit landlord trust account funds in any financial institution.

Brief Description: Giving landlords the flexibility to deposit landlord trust account funds in any financial institution.

Sponsors: Senate Committee on Financial Services, Insurance & Housing (originally sponsored by Senators Benton, Rasmussen, Winsley, Keiser and Kohl-Welles).

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 1/26/04, 2/2/04 [DPS].
Passed Senate: 2/12/04, 49-0.

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

Majority Report: That Substitute Senate Bill No. 6402 be substituted therefor, and the substitute bill do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Berkey, Keiser, Murray, Prentice and Roach.

Staff: Joanne Conrad (786-7472)

Background: Washington State landlord-tenant law provides that landlords put tenants' security deposits in separate trust accounts. These accounts may currently be kept in a bank, savings and loan association, or mutual savings bank, or with a licensed escrow agent.

Summary of Bill: A landlord, including a mobile home landlord, has the option of placing the tenant's security deposit in a separate trust account at a credit union, rather than another type of financial institution.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill increases reasonable parity among financial institutions, and provides convenience for customers who are landlords and may already be keeping their trust accounts in credit unions.

Testimony Against: None.

Testified: PRO: Mark Minickiello, WA Credit Union League; Mark Gjurasic, MHCW; Bob Mitchell, WA Assn. of Realtors; Gary Gardner, BECU; Terry Kohl, WA Apartment Assn.

House Amendment(s): The amendment clarifies that licensed escrow agents are included among the types of financial services providers that can hold landlord trust accounts.