

FINAL BILL REPORT

SSB 5266

C 338 L 05
Synopsis as Enacted

Brief Description: Reserving state authority to regulate customer financial transactions.

Sponsors: Senate Committee on Financial Institutions, Housing & Consumer Protection
(originally sponsored by Senators Fairley, Benson, Prentice and Benton).

Senate Committee on Financial Institutions, Housing & Consumer Protection
House Committee on Financial Institutions & Insurance

Background: The regulation of the financial services industry is typically overseen by federal and state governments. In Washington State, financial services providers, such as state chartered banks, savings banks, credit unions, check cashers, payday lenders and licensed securities dealers are regulated by the Department of Financial Institutions.

In some states, local government entities have attempted to regulate financial services. Almost 20 states have now enacted laws barring local government from enforcing ordinances or regulations pertaining to financial services.

Summary: Cities, towns, and local government entities are prohibited from regulating the terms or conditions of lawful transactions between financial institutions and their customers. The authority to regulate financial services, including disclosures to consumers, is reserved to the state.

Votes on Final Passage:

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|--------|----|---|--------------------|
| Senate | 41 | 4 | |
| House | 95 | 0 | (House amended) |
| Senate | 39 | 3 | (Senate concurred) |

Effective: July 24, 2005