

SB 6520-S - DIGEST

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Requires a payor financial institution to pay a check drawn on it against an account with a sufficient balance at par, without regard to whether the payee holds an account at the financial institution. "Financial institution" means any institution with an office in the state of Washington upon which a check is drawn, regardless of where the account or account holder may be located, and includes all institutions defined under RCW 30.22.040(12).

Does not prohibit a financial institution from requiring commercially reasonable verification of the payee's identity before settlement of the check.

Provides that, if a payor financial institution refuses to pay a check drawn against an account with a sufficient balance at par, the check is dishonored, as provided for in RCW 62A.3-502.

Provides that if a payor financial institution refuses to pay a check drawn against an account with a sufficient balance at par, due to any fees that the financial institution wishes to deduct from the funds to be received by the payee, the drawer of the check and payor financial institution are jointly and severally liable to the payee for the face amount of the check, any fees the financial institution wishes to deduct, additional damages in the sum of five hundred dollars, and interest on all these amounts at the rate of twelve percent per annum from the date of dishonor.