

FINAL BILL REPORT

2SHB 1273

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Synopsis as Enacted

Brief Description: Creating the financial fraud and identity theft crimes investigation and prosecution program.

Sponsors: By House Committee on Insurance, Financial Services & Consumer Protection (originally sponsored by Representatives Roach, Ericks, Hurst, Kirby, Strow, Newhouse, Simpson, Williams, Haler, O'Brien, Moeller, Pearson, VanDeWege, McCune, Kenney, Rolfes and Morrell).

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

Background:

The Uniform Commercial Code Program (UCCP) within the Department of Licensing provides lenders a central place for filing notices regarding personal property pledged as collateral for loans. In the event the debtor declares bankruptcy, a filing with UCCP legally establishes the lender as a preferred creditor in relation to other lenders who file against the same collateral.

The UCCP does not provide regulatory functions. It provides services upon request. The UCCP accepts filings of financing statements, agricultural liens, and various federal liens. The UCCP provides certified searches of its records. The duties and responsibilities of the UCCP are ministerial. In accepting for filing or refusing to file a document, the UCCP does not do any of the following:

- determine the legal sufficiency or insufficiency of a document;
- determine that a security interest in collateral exists or does not exist;
- determine that any information in the document is correct or incorrect; or
- create a presumption that any information in the document is correct or incorrect.

The UCCP is fee-supported. The UCCP filing fees are \$15 for paper filings and \$8 for electronic filings.

Summary:

The Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program (Program) is created in the Department of Community, Trade and Economic Development (DCTED). Two regional financial fraud and identity theft crime task forces are created. One task force includes King and Pierce counties and the second includes Spokane County. A representative of the Attorney General is a member of each task force. The DCTED must appoint members for each task force that represent local law enforcement, county prosecuting attorneys, and financial institutions. The task forces must:

- hold regular meetings to discuss emerging trends and threats of local financial fraud and identity theft crimes;
- set priorities for the activities of the task forces;
- apply to the DCTED for funding to hire prosecutors and law enforcement personnel dedicated to investigating and prosecuting financial fraud and identity theft crimes;
- establish outcome-based performance measures; and
- report twice annually to the DCTED on the activities of the task force.

Financial Fraud and Identity Theft Crimes.

"Financial fraud and identity theft crimes" include those crimes that involve:

- check fraud;
- chronic unlawful issuance of bank checks;
- embezzlement;
- credit/debit card fraud;
- identity theft;
- forgery;
- counterfeit instruments such as checks or documents;
- organized counterfeit check rings; and
- organized identification theft rings.

The Account.

The Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program Account (Account) is created in the State Treasury as an appropriated account. The Account may receive funds from appropriations, surcharges on UCCP filings, federal funds, gifts, and grants. Expenditures from the Account may be used only to support the activities of the task forces and program expense of the DCTED. The expenses of DCTED may not exceed 10 percent of the amount appropriated.

Funding the Account.

There are surcharges placed on UCCP filings to fund the Account. The surcharge on paper filings is \$8 for a total filing fee of \$23 for a paper filing. The surcharge on electronic filings is \$3 for a total filing fee of \$11 for an electronic filing.

Expiration Date.

The Act expires on July 1, 2015.

Votes on Final Passage:

House	95	1	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	96	1	(House concurred)

Effective: June 12, 2008