
HOUSE BILL 3098

State of Washington 60th Legislature 2008 Regular Session

By Representatives Santos, Roach, and Kelley

Read first time 01/22/08. Referred to Committee on Insurance,
Financial Services & Consumer Protection.

1 AN ACT Relating to refund anticipation loans; and amending RCW
2 19.265.010 and 19.265.020.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 19.265.010 and 2005 c 471 s 2 are each amended to read
5 as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly requires otherwise.

8 (1) "Borrower" means a taxpayer who receives the proceeds of a
9 refund anticipation loan.

10 (2) "Department" means the department of financial institutions.

11 (3) "Director" means the director of the department of financial
12 institutions.

13 (4) "Facilitator" means a person who receives or accepts for
14 delivery an application for a refund anticipation loan, delivers a
15 check in payment of refund anticipation loan proceeds, or in any other
16 manner acts to allow the making of a refund anticipation loan.
17 "Facilitator" does not include a bank, thrift, savings association,
18 industrial bank, or credit union, operating under the laws of the
19 United States or this state, an affiliate that is a servicer for such

1 an entity, any retailer who acts only as a distributor and collector of
2 information or materials for a facilitator, or any person who acts
3 solely as an intermediary and does not deal with a taxpayer in the
4 making of the refund anticipation loan.

5 (5) "Lender" means a person who extends credit to a borrower in the
6 form of a refund anticipation loan.

7 (6) "Person" means an individual, a firm, a partnership, an
8 association, a corporation, or other entity.

9 (7) "Refund anticipation loan" means a loan borrowed by a taxpayer
10 from a lender based on the taxpayer's anticipated federal income tax
11 refund.

12 (8) "Refund anticipation loan fee" means the charges, fees, or
13 other consideration imposed by the lender for a refund anticipation
14 loan. This term does not include any charge, fee, or other
15 consideration usually imposed by the facilitator in the ordinary course
16 of business for nonloan services, such as fees for tax return
17 preparation and fees for electronic filing of tax returns.

18 (9) "Refund anticipation loan fee schedule" means a listing or
19 table of refund anticipation loan fees charged by the facilitator or
20 the lender for three or more representative refund anticipation loan
21 amounts. The schedule shall list separately each fee or charge
22 imposed, as well as a total of all fees imposed, related to the making
23 of refund anticipation loans. The schedule shall also include, for
24 each representative loan amount, the estimated annual percentage rate
25 calculated under the guidelines established by the federal truth in
26 lending act, 15 U.S.C. Sec. 1601 et seq.

27 (10) "Taxpayer" means an individual who files a federal income tax
28 return.

29 **Sec. 2.** RCW 19.265.020 and 2005 c 471 s 3 are each amended to read
30 as follows:

31 (1) No person may individually, or in conjunction or cooperation
32 with another person act as a facilitator unless that person is:

33 (a) A tax preparer or works for a person that engages in the
34 business of tax preparation;

35 (b) Accepted by the internal revenue service as an authorized IRS
36 e-file provider; and

1 (c) Registered with the department as a facilitator. The director
2 may prescribe the registration form.

3 (2) A person is registered as a facilitator by providing the
4 department, on or before December 31st of each year with:

5 (a) A list of authorized IRS e-file providers in the state of
6 Washington for the current tax filing year; and

7 (b) A thirty-five dollar processing fee for each authorized e-file
8 provider on the list.

9 (3)(a) A person registered as a facilitator must establish policies
10 and procedures to ensure a retailer who is acting as a distributor and
11 collector of information or materials:

12 (i) Appropriately safeguards and protects an applicant's personal
13 private financial information; and

14 (ii) Acts solely in a clerical role and does not provide any
15 counseling regarding refund anticipation loan products.

16 (b) The director may adopt rules necessary to implement this
17 subsection.

18 (4) After the December 31st deadline, a facilitator may amend the
19 registration required in subsection (2) of this section to reflect
20 additions or deletions of office locations or e-file providers
21 authorized by the internal revenue service.

22 ~~((4))~~ (5) The department shall make available to the public a
23 list of all facilitators registered under this section.

24 ~~((5))~~ (6) This section does not apply to a person doing business
25 as a bank, thrift, savings association, industrial bank, or credit
26 union, operating under the laws of the United States or this state, an
27 affiliate that is a servicer for such an entity, or any person who acts
28 solely as an intermediary and does not deal with a taxpayer in the
29 making of the refund anticipation loan.

30 ~~((6))~~ (7) This chapter shall preempt and be exclusive of all
31 local acts, statutes, ordinances, and regulations relating to refund
32 anticipation loans. This subsection shall be given retroactive and
33 prospective effect.

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