
SENATE BILL 5862

State of Washington

61st Legislature

2009 Regular Session

By Senators Tom, Pridemore, and Kline

Read first time 02/04/09. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to limiting the balance of small loans by a
2 consumer enforced by a database; amending RCW 42.56.230; adding a new
3 section to chapter 31.04 RCW; and adding a new section to chapter 31.45
4 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 31.04 RCW
7 to read as follows:

8 (1) The director may, by contract with a vendor or service provider
9 or otherwise, develop and implement a system by means of which a
10 licensee may determine:

11 (a) Whether a consumer has an outstanding small loan;

12 (b) The number of small loans the consumer has outstanding; and

13 (c) Any other information necessary to comply with chapter 31.45
14 RCW.

15 (2) The director may specify the form and contents of the system by
16 rule. Any system must provide that the information entered into or
17 stored by the system is:

18 (a) Accessible to and usable by licensees and the director from any
19 location in this state; and

1 (b) Secured against public disclosure, tampering, theft, or
2 unauthorized acquisition or use.

3 (3) If the system described in subsection (1) of this section is
4 developed and implemented, a licensee making small loans under chapter
5 31.45 RCW must enter or update the required information in subsection
6 (1) of this section at the time that the small loan transaction is
7 conducted by the licensee.

8 (4) A licensee must continue to enter and update all required
9 information for any loans subject to chapter 31.45 RCW that are
10 outstanding or have not yet expired after the date on which the
11 licensee no longer has the license or small loan endorsement required
12 by this chapter. Within ten business days after ceasing to make loans
13 subject to chapter 31.45 RCW, the licensee must submit a plan for
14 continuing compliance with this subsection to the director for
15 approval. The director must promptly approve or disapprove the plan
16 and may require the licensee to submit a new or modified plan that
17 ensures compliance with this subsection.

18 (5) If the system described in subsection (1) of this section is
19 developed and implemented, the director shall adopt by rule a fee or
20 fees that a vendor or service provider that operates or administers the
21 system may charge a licensee in making a small loan for use of the
22 system described in subsection (1) of this section. The fee or fees
23 may not exceed one dollar per loan transaction.

24 (6) The director shall adopt rules establishing standards for the
25 retention, archiving, and deletion of information entered into or
26 stored by the system described in subsection (1) of this section.

27 (7) The information in the system described in subsection (1) of
28 this section is not subject to public inspection or disclosure under
29 chapter 42.56 RCW.

30 NEW SECTION. **Sec. 2.** A new section is added to chapter 31.45 RCW
31 to read as follows:

32 A borrower's maximum principal amount of any small loan, or the
33 outstanding principal balances of all combined small loans made by one
34 or more licensees, may not exceed seven hundred dollars at any one
35 time.

1 **Sec. 3.** RCW 42.56.230 and 2008 c 200 s 5 are each amended to read
2 as follows:

3 The following personal information is exempt from public inspection
4 and copying under this chapter:

5 (1) Personal information in any files maintained for students in
6 public schools, patients or clients of public institutions or public
7 health agencies, or welfare recipients;

8 (2) Personal information in files maintained for employees,
9 appointees, or elected officials of any public agency to the extent
10 that disclosure would violate their right to privacy;

11 (3) Information required of any taxpayer in connection with the
12 assessment or collection of any tax if the disclosure of the
13 information to other persons would (a) be prohibited to such persons by
14 RCW 84.08.210, 82.32.330, 84.40.020, or 84.40.340 or (b) violate the
15 taxpayer's right to privacy or result in unfair competitive
16 disadvantage to the taxpayer;

17 (4) Credit card numbers, debit card numbers, electronic check
18 numbers, card expiration dates, or bank or other financial account
19 numbers, except when disclosure is expressly required by or governed by
20 other law; (~~and~~)

21 (5) Personal and financial information related to a small loan or
22 any system of authorizing a small loan in section 1 of this act; and

23 (6) Documents and related materials and scanned images of documents
24 and related materials used to prove identity, age, residential address,
25 social security number, or other personal information required to apply
26 for a driver's license or identicard.

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