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## HOUSE BILL 1603

State of Washington 54th Legislature 1995 Regular Session

By Representatives L. Thomas, Morris, Huff, Campbell, Smith, Beeksma and Kessler

Read first time 02/01/95. Referred to Committee on Financial Institutions & Insurance.

- 1 AN ACT Relating to deposit account information; adding new sections
- 2 to chapter 30.22 RCW; adding a new section to chapter 9.38 RCW; and
- 3 prescribing penalties.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The definitions in this section apply 6 throughout sections 1 through 3 of this act.
- 7 (1) "Customer" means any person, partnership, limited partnership,
- 8 corporation, trust, or other legal entity that is transacting or has
- 9 transacted business with a financial institution, that is using or has
- 10 used the services of an institution, or for which a financial
- 11 institution has acted or is acting as a fiduciary.
- 12 (2) "Financial institution" means state and national banks and
- 13 trust companies, state and federal savings banks, state and federal
- 14 savings and loan associations, and state and federal credit unions.
- 15 (3) "Law enforcement officer" means a public employee having as a
- 16 primary function the enforcement of criminal laws in general, or any
- 17 employee of any municipal, county, or state agency, or combination
- 18 thereof, having as its primary function the enforcement of criminal
- 19 laws in general.

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- NEW SECTION. Sec. 2. (1) If a financial institution discloses information in good faith concerning its customer or customers in accordance with this section, it shall not be liable to its customers or others for such disclosure or its consequences. Good faith will be presumed if the financial institution follows the procedures set forth in this section.
- 7 (2) A request for financial records made by a law enforcement 8 officer shall be submitted to the financial institution in writing 9 stating that the officer is conducting an official investigation of 10 actual or attempted deposits to or withdrawals from an account at the 11 institution. The request shall include the name and number of the 12 account and be accompanied by a copy of:
- 13 (a) The front and back of at least one unpaid check or draft drawn 14 on the account; and
- 15 (b) A statement of the dates or time period relevant to the 16 investigation.
- 17 (3) To the extent permitted by federal law, under subsection (2) of 18 this section a financial institution shall within a reasonable time 19 disclose to a requesting law enforcement officer so much of the 20 following information as has been requested concerning the account upon 21 which the dishonored check or draft was drawn, to the extent the 22 records can be located:
- (a) The date the account was opened; the details and amount of the opening deposit to the account; and if closed, the reason the account was closed, the date the account was closed, and balance at date of closing;
- (b) A copy of the statements of the account for the relevant period including dates under investigation and the preceding and following thirty days and the closing statement, if the account was closed; and
  - (c) A copy of the front and back of the signature card;
- 31 (d) If the account was closed by the financial institution, the 32 name of the person notified of its closing and a copy of the notice of 33 the account's closing and whether such notice was returned undelivered.
- (4) Financial institutions may charge requesting parties a reasonable fee for the actual costs of providing services under this chapter. These fees may not exceed rates charged to federal agencies for similar requests. In the event an investigation results in conviction, the court may order the defendant to pay costs incurred by law enforcement under this act.

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1	NEW SECTION. Sec. 3. Records obtained pursuant to this chapter					
2	shall be admitted as evidence in all courts of this state, under					
3	Washington rule of evidence 902, when accompanied by a certificate					
4	substantially in the following form:					
5	CERTIFICATE					
6	1. The accompanying documents are true and correct copies of					
7	the records of [name of financial institution]. The records					
8	were made in the regular course of business of the financial					
9	institution at or near the time of the acts, events, or					
10	conditions which they reflect.					
11	2. They are produced in response to a request made under					
12	section 2 of this act.					
13	3. The undersigned is authorized to execute this certificate.					
14	I CERTIFY, under penalty of perjury under the laws of the State					
15	of Washington, that the foregoing statements are true and					
16	correct.					
17						
18	Date Signature					
19						
20	Place of Signing Type or Print Name/Title/					
21	Telephone No.					
22						

- NEW SECTION. Sec. 4. A new section is added to chapter 9.38 RCW to read as follows:
- 25 (1) It is a gross misdemeanor for a deposit account applicant to 26 knowingly make any false statement to a financial institution 27 regarding:
- 28 (a) The applicant's identity;
- 29 (b) Past convictions for crimes involving fraud or deception;
- 30 (c) Outstanding judgments or claims on checks or drafts issued by 31 the applicant; or
- 32 (d) The applicant's prior deposit account history with any 33 financial institution.

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- 1 (2) Each violation of subsection (1) of this section after the
- 2 third violation is a class C felony punishable as provided in chapter
- 3 9A.20 RCW.
- 4 NEW SECTION. Sec. 5. Section 4 of this act does not create a duty
- 5 for financial institutions to request the information set forth in
- 6 section 4(1) of this act.
- 7 <u>NEW SECTION.</u> **Sec. 6.** Sections 1 through 3 and 5 of this act are
- 8 each added to chapter 30.22 RCW.
- 9 <u>NEW SECTION.</u> **Sec. 7.** If any provision of this act or its
- 10 application to any person or circumstance is held invalid, the
- 11 remainder of the act or the application of the provision to other
- 12 persons or circumstances is not affected.

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