
HOUSE BILL 2810

State of Washington

54th Legislature

1996 Regular Session

By Representatives Wolfe, Beeksma and Thompson; by request of
Department of Financial Institutions

Read first time 01/22/96. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to the fees and period of duration for check casher
2 and check seller licenses and small loan endorsements; and amending RCW
3 31.45.040 and 31.45.050.

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

5 **Sec. 1.** RCW 31.45.040 and 1995 c 18 s 5 are each amended to read
6 as follows:

7 (1) The director shall conduct an investigation of every applicant
8 to determine the financial responsibility, experience, character, and
9 general fitness of the applicant. The director shall issue the
10 applicant a license to engage in the business of cashing or selling
11 checks, or both, or a small loan endorsement, if the director
12 determines to his or her satisfaction that:

13 (a) The applicant is financially responsible and appears to be able
14 to conduct the business of cashing or selling checks or making small
15 loans in an honest, fair, and efficient manner with the confidence and
16 trust of the community; and

17 (b) The applicant has the required bonds, or has provided an
18 acceptable alternative form of financial security.

1 (2) The director may refuse to issue a license or small loan
2 endorsement if he or she finds that the applicant, or any person who is
3 a director, officer, partner, agent, or substantial stockholder of the
4 applicant, has been convicted of a felony in any jurisdiction or is
5 associating or consorting with any person who has been convicted of a
6 felony in any jurisdiction. The term "substantial stockholder" as used
7 in this subsection, means a person owning or controlling ten percent or
8 more of the total outstanding shares of the applicant corporation.

9 (3) No license or small loan endorsement may be issued to an
10 applicant whose license to conduct business under this chapter had been
11 revoked by the director within the twelve-month period preceding the
12 application.

13 (4) A license or small loan endorsement issued under this chapter
14 shall be conspicuously posted in the place of business of the licensee.
15 The license is not transferable or assignable.

16 (5) A license or small loan endorsement issued in accordance with
17 this chapter remains in force and effect (~~for a period of five years~~
18 ~~from the date it is issued unless earlier~~) until surrendered,
19 suspended, or revoked. (~~However, the initial small loan endorsement~~
20 ~~is effective until the next expiration date of the underlying license,~~
21 ~~unless earlier surrendered, suspended, or revoked.~~)

22 ~~(6) The director's investigation and fees required under this~~
23 ~~chapter shall differentiate between check cashing and check selling and~~
24 ~~making small loans, and take into consideration the level of risk and~~
25 ~~potential harm to the public related to each such activity.))~~

26 **Sec. 2.** RCW 31.45.050 and 1995 c 18 s 6 are each amended to read
27 as follows:

28 (1) (~~A license or small loan endorsement may be renewed upon the~~
29 ~~filing of an application containing such information as the director~~
30 ~~may require and by the payment of a)) Each applicant and licensee shall
31 pay to the director an investigation fee and an annual assessment fee
32 in an amount determined by rule of the director as necessary to cover
33 the ((costs of supervision. —Such)) operation of the program. In
34 establishing the fees, the director shall differentiate between check
35 cashing and check selling and making small loans, and consider at least
36 the volume of business, level of risk, and potential harm to the public
37 related to each activity. The fees collected shall be deposited to the
38 credit of the banking examination fund in accordance with RCW~~

1 43.320.110. (~~The director shall renew the license in accordance with~~
2 ~~the standards for issuance of a new license.~~)

3 (2) If a licensee intends to do business at a new location, to
4 close an existing place of business, or to relocate an existing place
5 of business, the licensee shall provide written notification of that
6 intention to the director no less than thirty days before the proposed
7 establishing, closing, or moving of a place of business.

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