

HOUSE BILL REPORT

SB 5423

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to the bank statement rule.

Brief Description: Removing a termination date in the bank statement rule.

Sponsors: Senators Winsley and Prentice.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/24/97, 4/3/97 [DP].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 11 members: Representatives L. Thomas, Chairman; Smith, Vice Chairman; Zellinsky, Vice Chairman; Wolfe, Ranking Minority Member; Grant, Assistant Ranking Minority Member; Benson; Constantine; DeBolt; Keiser; Sullivan and Wensman.

Staff: Charlie Gavigan (786-7340).

Background: In 1993, Articles 3 and 4 of the Uniform Commercial Code, were substantially revised in accordance with recommendations of the National Conference of Commissioners on Uniform State Laws.

One of the provisions in Article 4 relates to information that must be provided on a statement of account (bank statement). A financial institution must either (1) provide the item paid or a copy of the item (the check); or (2) provide information on the statement sufficient to allow the customer to reasonably define the item paid. Until January 1, 1998, the statement provides sufficient information if it provides the check number, amount, date of payment (date it cleared the bank), and a phone number the customer may call to request a copy of the check.

Summary of Bill: After January 1, 1998, a bank statement of account provides sufficient information, as it does now, if it provides the check number, amount, the date of payment, and a phone number the customer may call to request a copy of the check.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill continues the current practice of allowing financial institutions either to return all checks written to the customer or to provide a detailed statement of account and provide copies of checks upon request, and it eliminates the legal uncertainty that would result after January 1, 1998.

Testimony Against: None.

Testified: Terry Kohl, The Washington Credit Union League (supports); and Gary Gardner, Boeing Credit Union (supports).