

SENATE BILL REPORT

HB 2357

As Reported By Senate Committee On:
Financial Institutions, Insurance & Housing, February 25, 1998

Title: An act relating to the rates of interest and other fees charged by pawnbrokers.

Brief Description: Setting the rates of interest and other fees charged by pawnbrokers.

Sponsors: Representatives L. Thomas, Wolfe, Smith, Grant, DeBolt, Keiser and D. Sommers.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 2/25/98 [DP, DNP]

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Hale and Prentice.

Minority Report: Do not pass.

Signed by Senator Heavey.

Staff: Joanne Conrad (786-7472)

Background: The state of Washington has regulated the interest and fees charged by pawnbrokers since 1909. The interest and fees are periodically increased, with the last increase in the fee schedule occurring in 1991.

Summary of Bill: The amount of interest pawnbrokers are allowed by statute to charge is increased by 50 cents for amounts less than \$100, and by 2 percent (from 3 percent to 5 percent) for each 30-day period for amounts over \$100.

The fees permitted by statute for the preparation of loan documents are increased by amounts varying from 50 cents to \$5, depending upon the dollar value of the loan.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: An increase is needed.

Testimony Against: None.

Testified: Representative Les Thomas, prime sponsor (pro).

