
SUBSTITUTE HOUSE BILL 2505

State of Washington 64th Legislature 2016 Regular Session

By House Business & Financial Services (originally sponsored by Representatives G. Hunt, Kirby, Shea, and Ormsby)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to payroll cards; and adding a new chapter to
2 Title 19 RCW.

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

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires
6 otherwise.

7 (1) "Consumer" means an employee whose wages are paid to a
8 payroll deposit account established through the employee's current
9 employer.

10 (2) "Financial institution" means any bank, credit union, trust
11 company, or any other person that holds a payroll deposit account or
12 that issues a payroll card. An employer that uses payroll cards as a
13 method of wage payment is not a financial institution solely by
14 virtue of such use.

15 (3) "Maintenance fee" means a recurring periodic fee charged to a
16 consumer on a payroll deposit account.

17 (4) "Payroll card" means a prepaid card or other device used by a
18 consumer to access wages in a payroll deposit account.

19 (5) "Payroll deposit account" means a prepaid account that is
20 established at the request of an employer and to which electronic
21 funds transfers of the consumer's wages, salary, or other employee

1 compensation are made on a recurring basis, whether the account is
2 operated or managed by the employer, a third-party payroll processor,
3 a depository institution, or any other person.

4 NEW SECTION. **Sec. 2.** (1) No financial institution may issue a
5 payroll card to a consumer unless the provisions of this section are
6 met.

7 (2) The financial institution must provide the consumer with the
8 ability, without cost, to access the balance in the consumer's
9 payroll deposit account online and over the telephone.

10 (3) The financial institution may not charge the consumer a
11 maintenance fee on the payroll deposit account while the consumer
12 receives electronic funds transfers of wages from the employer that
13 established the account, and for sixty days thereafter.

14 NEW SECTION. **Sec. 3.** (1) An agreement made in violation of the
15 provisions of this chapter or requiring any person to violate this
16 chapter is contrary to public policy and is void and unenforceable.

17 (2) This chapter applies to agreements and transactions made on
18 or after January 1, 2017.

19 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act
20 constitute a new chapter in Title 19 RCW.

21 NEW SECTION. **Sec. 5.** If any provision of this act or its
22 application to any person or circumstance is held invalid, the
23 remainder of the act or the application of the provision to other
24 persons or circumstances is not affected.

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