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HOUSE BILL 1895

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State of Washington                      54th Legislature                      1995 Regular Session

By Representatives L. Thomas, Huff and Pelesky

Read first time 02/14/95. Referred to Committee on Transportation.

1            AN ACT Relating to dishonored checks; adding a new section to  
2 chapter 46.20 RCW; and creating a new section.

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

4            NEW SECTION.    **Sec. 1.** The legislature finds that the problem of  
5 dishonored checks and check fraud is rising significantly. This  
6 primarily is due to an antiquated national system for check payment and  
7 processing and to the practice followed by financial institutions and  
8 retailers of offering customers quick, hassle-free service. While  
9 dishonored checks and check fraud cause higher expenses for retailers  
10 and financial institutions, the citizens of this state ultimately pay  
11 for this problem in higher prices and service fees. The legislature  
12 intends to reduce the problem of dishonored checks by conditioning the  
13 privilege of renewing a driver's license on the licensee honoring  
14 checks written by the licensee.

15            NEW SECTION.    **Sec. 2.** A new section is added to chapter 46.20 RCW  
16 to read as follows:

17            (1) The department shall not approve an application to renew a  
18 driver's license under RCW 46.20.181 if the department receives

1 information that the applicant has an outstanding dishonored check at  
2 the time of application as provided in subsection (2) of this section.

3 (2) The department shall establish a process for receiving  
4 information from payees or holders of dishonored checks. The  
5 information shall include, but is not limited to, the name of the payee  
6 or holder, the name and driver's license number of the payor, and the  
7 check number of the dishonored check. The process required in this  
8 subsection must also provide for receiving information from the payee  
9 or holder that a check reported to the department as dishonored later  
10 has been paid. The department may consider information provided by the  
11 applicant in determining whether the applicant has an outstanding  
12 dishonored check at the time of application.

13 (3) The department may collect the amount of the dishonored check  
14 or checks described in subsection (2) of this section, plus a fee of  
15 fifteen dollars to cover the department's administrative costs, and  
16 then issue the license to the applicant if the other requirements of  
17 this chapter, including fees, are satisfied. The department shall  
18 forward amounts collected under this subsection for dishonored checks,  
19 less the fifteen dollar administrative fee, to the payee or holder  
20 included in the information under subsection (2) of this section.

21 (4) The department is not liable for incorrect information provided  
22 to it under subsection (2) of this section.

23 (5) For purposes of this section, "dishonored check" means  
24 nonpayment or nonacceptance of a check, where the check has been  
25 presented and dishonored twice, where notice of dishonor has been  
26 provided, where twenty days have passed since the check was written,  
27 and where the check remains unpaid. A check is not considered to be  
28 dishonored if payment was not made based on a stop payment order.

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