

SENATE BILL REPORT

SB 5017

As Passed Senate, March 11, 1997

Title: An act relating to correcting or removing deficiencies, conflicts, or obsolete provisions affecting the department of financial institutions.

Brief Description: Making technical corrections affecting the department of financial institutions.

Sponsors: Senator Roach; by request of Statute Law Committee.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 1/23/97, 1/28/97 [DP]. Passed Senate, 3/11/97, 49-0.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass.

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

Staff: Catherine Mele (786-7470)

Background: In 1993, several responsibilities of the Department of General Administration and the Department of Licensing were consolidated into a newly created Department of Financial Institutions (DFI). The responsibilities transferred to the DFI include regulation of banks, savings and loans, credit unions, consumer loan companies, check cashiers, trust companies, franchises and securities.

In 1994, the Legislature passed additional technical changes needed to clarify the responsibilities of DFI. For example, statutory references to the Department of General Administration were changed to the Department of Financial Institutions.

In 1994, the Legislature also passed a bill that made numerous modifications to the laws relating to securities activities, commercial banks, credit unions, and savings banks. This bill clarified and modernized DFI's statute. It also reduced some unnecessary regulatory burdens in the laws governing financial institutions.

The technical corrections bill of the 1994 session amended many of the code sections which were repealed by the other 1994 modifications. As a result of the amendment and repeal, the Code Reviser decodified the statute and placed explanatory notes in the RCW. The decodification occurred because the technical changes were no longer necessary once the Legislature decided to repeal the various sections affected by the technical changes.

The Statute Law Committee may from time to time make recommendations to the Legislature concerning deficiencies, conflicts, or obsolete provisions in, and need for reorganization or revision of the RCW. The Statute Law Committee reviewed this bill and asked for these changes which do not have a substantive impact on the code pertaining to Department of Financial Institutions.

Summary of Bill: Several technical changes are made relating to the Department of Financial Institutions. The term rules and regulations– is changed to rules.– Certain sections of the code are renumbered and introductions to definitional sections are changed to reflect boilerplate language used throughout the RCW. The Code Reviser’s explanatory notes which no longer have any affect are deleted from the RCW.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: SB 5017 is a Statute Law Committee (Code Reviser) request bill. The bill makes technical changes to statutes governing the Department of Financial Institutions.

Testimony Against: None.

Testified: Dennis Cooper, Code Reviser/Statute Law Committee (pro).

House Amendment(s): The Office of the Insurance Commissioner currently is authorized to use any state domiciled solvent financial institution that has trust powers as a depository. In addition to these institutions, the amendment allows the Office of the Insurance Commissioner to use an out-of-state bank, savings bank, or savings association with a branch in Washington that has trust powers as a depository.