

HOUSE BILL REPORT

SB 6311

As Reported by House Committee On: Business & Financial Services

Title: An act relating to lost or destroyed state warrants, bonds, and other instruments.

Brief Description: Concerning lost or destroyed state warrants, bonds, and other instruments.

Sponsors: Senators Mullet and Angel; by request of State Treasurer.

Brief History:

Committee Activity:

Business & Financial Services: 2/20/18, 2/21/18 [DP].

Brief Summary of Bill

- Makes changes to the process the State Treasurer must follow to manage lost or destroyed warrants, bonds, and other instruments.
- Adds definitions for "cancel" and "redeem."

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 11 members: Representatives Kirby, Chair; Reeves, Vice Chair; Vick, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Barkis, Bergquist, Blake, Jenkin, McCabe, Santos and Stanford.

Staff: Robbi Kesler (786-7153).

Background:

When a state warrant, bond, or other instrument or evidence of indebtedness is lost or destroyed, a duplicate may be issued. The duplicate instrument must bear the same number, class, or designation as the original and must be for the same amount. The word "duplicate" must appear on the face of the new instrument. A duplicate is subject to the same provisions of law as the original instrument.

A person requesting a duplicate instrument must file an affidavit in the Office of the State Treasurer specifically alleging that the applicant is the proper owner, payee, or legal

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representative of the owner or payee. The requester must include the date of issue, number, amount, and for what services, claim, or purpose the original instrument was issued and certify the original instrument has been lost or destroyed, and that the original instrument has not been paid.

The State Treasurer or another issuing officer must keep a full and complete record of all warrants, bonds, or other instruments alleged to have been lost or destroyed and the issuance of any duplicates, as well as a list of all original warrants, bonds, or other instruments cancelled. If an original and its duplicate instrument are both presented for payment as a result of forgery or fraud, the issuing officer must endeavor to recover any losses suffered by the state.

Summary of Bill:

The requirement for the State Treasurer to keep a list of canceled warrants, bonds, or other instruments is clarified. An issuing officer is no longer responsible for recovering any losses caused by a person through forgery or fraud. Duplicate instruments are not required to bear the same number, class, or designation as the original, and the word "duplicate" is not required to appear on the face of the new instrument.

Definitions for terms are added. "Cancel" or "cancellation" means to void, and "redeem" or "redemption" means to clear or pay.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This will modernize and streamline the current system in place by using banking technology. Voided warrants will no longer be redeemed so the initiating officer will not be required to spend time recovering losses; instead, they will be returned through the banking system.

(Opposed) None.

Persons Testifying: Shawn Myers, Office of the State Treasurer.

Persons Signed In To Testify But Not Testifying: None.