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HOUSE BILL 2908

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State of Washington                      53rd Legislature                      1994 Regular Session

By Representatives L. Thomas and McMorris

Read first time 02/04/94. Referred to Committee on Transportation.

1            AN ACT Relating to bad checks; adding a new section to chapter  
2 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 policy of financial institutions and retailers of  
8 offering customers quick, hassle-free service. While bad checks and  
9 check fraud cause higher expenses for retailers and financial  
10 institutions, the citizens of this state ultimately pay for this  
11 problem in higher prices and service fees. The legislature intends to  
12 reduce the problem of bad checks by conditioning the privilege of  
13 renewing a driver's license on the licensee honoring checks written by  
14 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 under this  
8 subsection shall 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 is not liable for incorrect information provided  
14 to it under subsection (2) of this section.

15 (4) This section does not limit any liability for actions by payees  
16 or holders who provide inaccurate information or who fail to inform the  
17 department that a dishonored check subsequently has been paid.

18 (5) For purposes of this section, "dishonored check" means  
19 nonpayment or nonacceptance of a check as provided under the uniform  
20 commercial code, Title 62A RCW, if the statutory notice of dishonor has  
21 been provided, fifteen days have elapsed, and the check remains unpaid.  
22 A check is not considered dishonored if payment was not made based on  
23 a stop payment order.

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