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**SUBSTITUTE SENATE BILL 6520**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Benton, Fairley, Oke, Stevens, Prentice and Spanel)

READ FIRST TIME 02/02/06.

1       AN ACT Relating to cashing checks; and adding a new section to  
2 chapter 62A.3 RCW.

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

4       NEW SECTION.   **Sec. 1.** A new section is added to chapter 62A.3 RCW  
5 to read as follows:

6       (1) A payor financial institution shall pay a check drawn on it  
7 against an account with a sufficient balance at par, without regard to  
8 whether the payee holds an account at the financial institution.  
9 "Financial institution" means any institution with an office in the  
10 state of Washington upon which a check is drawn, regardless of where  
11 the account or account holder may be located, and includes all  
12 institutions defined under RCW 30.22.040(12).

13       (2) This section does not prohibit a financial institution from  
14 requiring commercially reasonable verification of the payee's identity  
15 before settlement of the check.

16       (3) If a payor financial institution refuses to pay a check drawn  
17 against an account with a sufficient balance at par, the check is  
18 dishonored, as provided for in RCW 62A.3-502.

1           (4) If a payor financial institution refuses to pay a check drawn  
2 against an account with a sufficient balance at par, due to any fees  
3 that the financial institution wishes to deduct from the funds to be  
4 received by the payee, the drawer of the check and payor financial  
5 institution are jointly and severally liable to the payee for the face  
6 amount of the check, any fees the financial institution wishes to  
7 deduct, additional damages in the sum of five hundred dollars, and  
8 interest on all these amounts at the rate of twelve percent per annum  
9 from the date of dishonor.

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