

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE HOUSE BILL 1273

Chapter 290, Laws of 2008

60th Legislature
2008 Regular Session

FINANCIAL FRAUD

EFFECTIVE DATE: 06/12/08

Passed by the House March 12, 2008
Yeas 96 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 12, 2008
Yeas 46 Nays 0

BRAD OWEN

President of the Senate

Approved April 1, 2008, 2:42 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1273** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 2, 2008

**Secretary of State
State of Washington**

SECOND SUBSTITUTE HOUSE BILL 1273

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Insurance, Financial Services & Consumer Protection
(originally sponsored by Representatives Roach, Ericks, Hurst, Kirby,
Strow, Newhouse, Simpson, Williams, Haler, O'Brien, Moeller, Pearson,
VanDeWege, McCune, Kenney, Rolfes, and Morrell)

READ FIRST TIME 02/06/08.

1 AN ACT Relating to financial fraud; amending RCW 62A.9A-525; adding
2 a new section to chapter 43.330 RCW; making an appropriation; and
3 providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330 RCW
6 to read as follows:

7 (1) The financial fraud and identity theft crimes investigation and
8 prosecution program is created in the department of community, trade,
9 and economic development. The department shall:

10 (a) Appoint members of the financial fraud task forces created in
11 subsection (2) of this section;

12 (b) Administer the account created in subsection (3) of this
13 section; and

14 (c) By December 31st of each year submit a report to the
15 appropriate committees of the legislature and the governor regarding
16 the progress of the program and task forces. The report must include
17 recommendations on changes to the program, including expansion.

18 (2)(a) The department shall establish two regional financial fraud
19 and identity theft crime task forces that include a central Puget Sound

1 task force that includes King and Pierce counties, and a Spokane county
2 task force. Each task force must be comprised of local law
3 enforcement, county prosecutors, representatives of the office of the
4 attorney general, financial institutions, and other state and local law
5 enforcement.

6 (b) The department shall appoint: (i) Representatives of local law
7 enforcement from a list provided by the Washington association of
8 sheriffs and police chiefs; (ii) representatives of county prosecutors
9 from a list provided by the Washington association of prosecuting
10 attorneys; and (iii) representatives of financial institutions.

11 (c) Each task force shall:

12 (i) Hold regular meetings to discuss emerging trends and threats of
13 local financial fraud and identity theft crimes;

14 (ii) Set priorities for the activities for the task force;

15 (iii) Apply to the department for funding to (A) hire prosecutors
16 and/or law enforcement personnel dedicated to investigating and
17 prosecuting financial fraud and identity theft crimes; and (B) acquire
18 other needed resources to conduct the work of the task force;

19 (iv) Establish outcome-based performance measures; and

20 (v) Twice annually report to the department regarding the
21 activities and performance of the task force.

22 (3) The financial fraud and identity theft crimes investigation and
23 prosecution account is created in the state treasury. Moneys in the
24 account may be spent only after appropriation. Revenue to the account
25 may include appropriations, revenues generated by the surcharge imposed
26 in section 2 of this act, federal funds, and any other gifts or grants.
27 Expenditures from the account may be used only to support the
28 activities of the financial fraud and identity theft crime
29 investigation and prosecution task forces and the program
30 administrative expenses of the department, which may not exceed ten
31 percent of the amount appropriated.

32 (4) For purposes of this section, "financial fraud and identity
33 theft crimes" includes those that involve: Check fraud, chronic
34 unlawful issuance of bank checks, embezzlement, credit/debit card
35 fraud, identity theft, forgery, counterfeit instruments such as checks
36 or documents, organized counterfeit check rings, and organized
37 identification theft rings.

1 **Sec. 2.** RCW 62A.9A-525 and 2000 c 250 s 9A-525 are each amended to
2 read as follows:

3 (a) **Filing with department of licensing.** Except as otherwise
4 provided in subsection (b) or (e) of this section, the fee for filing
5 and indexing a record under this part is the fee set by department of
6 licensing rule pursuant to subsection (f) of this section. Without
7 limitation, different fees may be charged for:

8 (1) A record that is communicated in writing and consists of one or
9 two pages;

10 (2) A record that is communicated in writing and consists of more
11 than two pages, which fee may be a multiple of the fee described in (1)
12 of this subsection; and

13 (3) A record that is communicated by another medium authorized by
14 department of licensing rule, which fee may be a fraction of the fee
15 described in (1) of this subsection.

16 (b) **Filing with other filing offices.** Except as otherwise provided
17 in subsection (e) of this section, the fee for filing and indexing a
18 record under this part that is filed in a filing office described in
19 RCW 62A.9A-501(a)(1) is the fee that would otherwise be applicable to
20 the recording of a mortgage in that filing office, as set forth in RCW
21 36.18.010.

22 (c) **Number of names.** The number of names required to be indexed
23 does not affect the amount of the fee in subsections (a) and (b) of
24 this section.

25 (d) **Response to information request.** The fee for responding to a
26 request for information from a filing office, including for issuing a
27 certificate showing, or otherwise communicating, whether there is on
28 file any financing statement naming a particular debtor, is the fee set
29 by department of licensing rule pursuant to subsection (f) of this
30 section; provided however, if the request is to a filing office
31 described in RCW 62A.9A-501(a)(1) and that office charges a different
32 fee, then that different fee shall apply instead. Without limitation,
33 different fees may be charged:

34 (1) If the request is communicated in writing;

35 (2) If the request is communicated by another medium authorized by
36 filing-office rule; and

37 (3) If the request is for expedited service.

1 (e) **Record of mortgage.** This section does not require a fee with
2 respect to a record of a mortgage which is effective as a financing
3 statement filed as a fixture filing or as a financing statement
4 covering as-extracted collateral or timber to be cut under RCW
5 62A.9A-502(c). However, the recording and satisfaction fees that
6 otherwise would be applicable to the record of the mortgage apply.

7 (f) **Filing office rules.** (1) The department of licensing shall by
8 rule set the fees called for in this section for filing with, and
9 obtaining information from, the department of licensing. The director
10 shall set fees at a sufficient level to defray the costs of
11 administering the program. All receipts from fees collected under this
12 title, except fees for services covered under RCW 62A.9A-501(a)(1),
13 shall be deposited to the uniform commercial code fund in the state
14 treasury. Moneys in the fund may be spent only after appropriation and
15 may be used only to administer the uniform commercial code program.

16 (2) In addition to fees on filings authorized under this section,
17 the department of licensing shall impose a surcharge of eight dollars
18 per filing for paper filings and a surcharge of three dollars per
19 filing for electronic filings. The department shall deposit the
20 proceeds from these surcharges in the financial fraud and identity
21 theft crimes investigation and prosecution account created in section
22 1 of this act.

23 (g) **Transition.** This section continues the fee-setting authority
24 conferred on the department of licensing by former RCW 62A.9-409 and
25 nothing herein shall invalidate fees set by the department of licensing
26 under the authority of former RCW 62A.9-409.

27 NEW SECTION. Sec. 3. The sum of four hundred eighty-eight
28 thousand dollars, or as much thereof as may be necessary, is
29 appropriated for the biennium ending June 30, 2009, from the financial
30 fraud and identity theft crimes investigation and prosecution account
31 to the department of community, trade, and economic development for the
32 purposes of this act.

33 NEW SECTION. Sec. 4. This act expires July 1, 2015.

Passed by the House March 12, 2008.

Passed by the Senate March 12, 2008.

Approved by the Governor April 1, 2008.

Filed in Office of Secretary of State April 2, 2008.