

ARIZONA STATE SENATE

46TH LEGISLATURE FIRST REGULAR SESSION

MINUTES OF COMMITTEE ON COMMERCE

DATE: February 19, 2003

TIME: 9:00 a.m.

ROOM: SHR 3

CHAIRMAN: Senator Leff

VICE CHAIRMAN: Senator Blendu

ANALYST: Todd Madeksza

**COMMITTEE
SECRETARY:** Nancy L. DeMichele

**ASSISTANT
ANALYST:** Brandy Martin

INTERN: Sophie Rigollet

ATTENDANCE

BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Allen	X			SB 1174	DP
Senator Arzberger	X			SB 1188	DP
Senator Cheuvront	X			SB 1239	HELD
Senator Giffords	X			SB 1279	HELD
Senator Martin	X			SB 1289	DPA
Senator Soltero	X			SB 1305	HELD
Senator Tibshraeny	X			SB 1310	HELD
Senator Blendu, Vice Chair	X			SB 1346	HELD
Senator Leff, Chair	X				

GOVERNOR'S APPOINTMENTS

Name

Position

Recommendation

Chairman Leff called the meeting to order at 9:10 a.m., and roll call was taken.

CONSIDERATION OF BILLS

SB 1239 – liquor licenses; city approval – HELD

SB 1279 – state compensation fund; assets – HELD

SB 1305 – cigarettes; delivery sales – HELD

Senator Leff announced the following bills will be held at the request of the sponsors or parties involved: SB 1239, SB 1279 and SB 1305.

SB 1174 – credit unions – DO PASS

Todd Madeksza, Commerce Research Analyst, explained SB 1174 eliminates existing constraints to fields of membership, establishes the authority of the board of directors to establish a field of membership, and revises existing statute regarding federal parity within state-chartered credit unions. He stated there is no fiscal impact anticipated with this bill.

Senator Martin, bill sponsor, explained the bill is essentially paperwork reduction for the State Banking Department (Department). He provided background information on the purpose of the bill such as audits and membership, and identified the differences between banks and credit unions.

Senator Allen stated that credit unions enjoy certain tax advantages because of their non-profit status that banks do not, and questioned whether that is considered a fair playing field. Senator Martin responded the non-profit status is the choice of credit unions; therefore, the sole source of income is based on growth of membership. He said that banks, on the other hand, have the ability to grow quickly based on the nature of their operations.

Garth Griese, President and Chief Executive Officer, Arizona State Savings and Credit Union, testified in support of SB 1174. He provided background information on credit unions, and indicated that SB 1174 offers three major benefits for the State's chartered credit unions.

- The bill provides the Department greater flexibility with a 24-month examination period of credit unions, which makes the cycle consistent with banks and savings and loans. He noted the 24-month examination period would also save the Department money and resources, while retaining the Superintendent's right to examine a credit union at any time.
- The bill codifies current field of membership practices as to eligibility to join a credit union. He said it will reduce the regulatory burden on the Department and credit unions, and also result in savings of resources and manhours for the Department. He noted there are 29 State chartered credit unions in Arizona, of which 22 have an expanded field of membership. He said that allowing the voluntary Board of Directors to determine their own field of membership is a logical extension of a safe, sound, and widely-used practice.
- The bill provides State chartered credit unions the same powers as federal credit unions, thereby enhancing the value of State chartered credit unions to better serve its members.

Mr. Griese pointed out that credit unions are unlike banks, in that credit unions are not-for-profit volunteer board member owned cooperatives. He emphasized that continuing to limit access to Arizona credit unions will be detrimental for Arizona consumers and would provide little competition to the banking industry. He pointed out that State chartered credit unions pay taxes, such as real property taxes, personal property taxes, State and city sales taxes, and members pay federal income

taxes on dividends paid. He added that an administrative fee is also paid to the Department. He said credit unions' annual net income is exempt from State income tax and federal tax, which is good public policy. He urged support for SB 1174.

In response to Senator Allen, Mr. Griese explained the procedures for eligibility to join a State chartered credit union. He stated that the field of membership is qualified either by employment or geographical residence.

Senator Martin explained that one of the requirements to join a credit union is to open a savings account, and the ability to open and maintain accounts is based on a credit union's reserves.

Senator Blendu asked Mr. Griese to clarify the risk for members if a credit union encountered major financial problems. Mr. Griese replied that State chartered credit unions are regulated by the Department and must also adhere to federal guidelines for the safety and protection of members. Mr. Griese explained that the Board of Directors consists of volunteers without compensation who are elected at the annual meeting by the membership. Therefore, the Directors are accountable to the membership for decisions made.

Senator Leff wanted to know why members would be taken out of the decision-making process if it has worked well in the past.

Gary Plank, President and Chief Executive Officer, Arizona Credit Union League, testified in support of SB 1174. In response to Senator Leff, he said members are informed of actions taken by the Directors at the annual meeting, and there will not be a change to that procedure. He said if the members are dissatisfied, they could elect different directors. He explained the procedure for a new field of membership and indicated that a field of membership has never been turned down by the membership of a credit union in his thirty years of being associated with credit unions.

In response to Senator Arzberger, Senator Martin explained that the issues mentioned earlier are the primary reasons for the bill. He said the remaining items in the bill have not been contested by either side of the issue, and noted that the fact sheet outlines those items.

In response to the issue of granting loans to officials, Mr. Plank explained that the issue is being brought into parity with federal credit unions. He said loans are maximized at \$20,000, and all loans would need to be approved by the Board of Directors regardless of the amount.

Joseph Smith, Credit Union Board Member, Arizona State Savings and Credit Union, testified in support of SB 1174. He stated that as a former Budget Director for the State of Arizona and former Department head, he applauds the regulatory reform aspects of this bill. He said the opportunity to allow the Board of Directors to determine its field of membership is a good measure. He noted he is a volunteer Board member and has served for ten years. He explained a business plan is in place and the credit union operates as a service to all members. He said a recent change was made in the election of the Board, which enables all members to participate in the election process. He noted that one-third of the Board is elected each year, and all Board meetings are held in Arizona. He emphasized that all Board members are very accessible to the membership, and regard their fiduciary and managerial responsibilities very seriously.

Senator Leff announced the individuals who registered their position on the bill (Attachment A).

Barbara Sherman, Executive Director, Arizona Consumers Council (Council), testified in support of SB 1174. She stated she recently attended a conference in Washington, D.C. regarding financial services. She commented that one of the emerging issues throughout the country concerns a growing group of people who are “unbanked” and do not use banking services. She said this is a concern at the national level because “unbanked” individuals cannot participate in the American Dream, and credit unions are perceived as a vehicle to enable those individuals to participate in the American Dream. She said the Council supports the expansion of membership, which could resolve the problem of being “unbanked.” In response to Senator Leff, Ms. Sherman said that the belief at the federal level is that it is often easier for “unbanked” individuals to obtain loans with lower interest rates through a credit union than with a bank.

Kurt Bauer, Executive Vice President, Arizona Bankers Association (ABA), testified in opposition to SB 1174. He said the bill eliminates a common bond membership requirement that justifies a tax-exempt status and other advantages that credit unions enjoy over taxpaying financial institutions. He said this bill would bypass regulatory safeguards for credit unions that are imposed on banks. He explained the membership issues of credit unions, and said this bill would allow an existing member to simply refer new members with open membership possibilities. He said that even without the passage of this bill, the playing field between credit unions and banks is far from equal and he outlined the differences. Mr. Bauer noted that the credit union industry in Arizona is strong and growing, with a 40% growth over the past five years. He said that the explosive growth proves that credit unions already have too many unfair advantages over taxpaying financial institutions. He said this bill would make the playing field even more uneven at the expense of Arizona’s citizens and corporate taxpayers. He commented that as an alternative, ABA recommends Arizona’s expansion of credit unions might follow the lead of credit unions in other states that have chosen to convert to a taxpayer mutual savings institution. In this way, a credit union could expand a membership base while at the same time maintain a basic member-owned organizational structure. He said credit unions could be allowed everything in the bill, but would also be required to pay taxes. He emphasized that privileges should be accompanied by responsibilities, especially during a time when the State is experiencing a major budget deficit.

In response to Senator Leff, Mr. Bauer explained the structure of a mutual savings institution. Senator Martin stated that although credit unions do not pay income taxes, those institutions do pay other taxes. He asked Mr. Bauer if it is known what percentage of the market is held by credit unions currently. Mr. Bauer responded he does not have those figures. He said credit unions offer the same products as banks with the exception that no income taxes are paid, which is a major difference from banks. Senator Martin stated his research indicates that banks represent 94% of the market, and credit unions represent approximately 6% of the market. He indicated that credit unions could be severely impacted when a major employer reduces its employee base, and he cited a particular example. In response to Senator Martin, Mr. Bauer stated that any credit union currently has the authority to petition the Department to expand its membership. He said it is the job of the regulators to ensure that depositors are being protected and that the institution can absorb that membership base. He said credit unions have advantages over banks and have become major competitors.

Senator Blendu wanted to know what is being fixed in this bill. He said if nothing is done, the credit unions will still be able to operate as in the past. Mr. Bauer responded that is correct. He said credit unions have the authority to go to the Department without going to the Legislature to expand their field of membership, which is significantly more liberal than credit unions in the State of Wisconsin.

Senator Blendu referred to the word “mutual” and wanted to know what would happen if a credit union’s liabilities exceed its reserves. Mr. Bauer replied he is not an expert in that area; however, he noted credit unions are insured for up to \$100,000 and that depositors are safe in that regard.

Wendy Briggs, Partner in the law firm of Steptoe and Johnson, representing the Arizona Bankers Association, testified in opposition to SB 1174. In response to Senator Blendu’s question regarding fixing a problem, she referred to a credit union’s growth and membership. She indicated the *2000 Book of Lists* indicates that the top three credit unions in the State have over 500,000 members. She said the assets of credit unions are significant, and are basically competing with mid-size banks. Ms. Briggs commented that credit unions do not have the same regulations as banks, are not required to be capitalized the same as banks, and do not pay income taxes as do banks. She indicated that credit unions have a 35% operating advantage, which creates a major disparity in doing business. Ms. Briggs stated that this bill significantly increases a credit union’s ability to secure members. She noted that Canada eliminated the tax-exempt status for its credit unions, and Utah passed a law recently out of one chamber of the Legislature taxing credit unions. She said if credit unions expand the field of membership without going before the Department for approval, then ABA believes credit unions should follow taxpaying regulations the same as banks. She commented that banks would then have no problem competing with credit unions.

Tim Wennes, Regional Manager, Wells Fargo Bank, testified in opposition to SB 1174. He stated Wells Fargo is the third largest bank in Arizona. He said credit unions are significant competitors, are growing at a healthy pace, and have a pricing advantage. He said banks have more stringent regulations. He noted that under the Community Reinvestment Act (CRA), banks are required to provide documentation to the regulators concerning all segments of the population being served. He added that credit unions do not have that CRA requirement.

Senator Martin moved SB 1174 be returned with a DO PASS recommendation.

Senator Giffords explained her vote. She said she still has concerns; however, in order to keep the bill moving, she will vote “aye.”

Senator Soltero explained his vote. He stated that he believes banks and credit unions are doing well and feels there is a place for both institutions in this State. He said he will vote “aye.”

The motion CARRIED by a roll call vote of 5-4-0 (Attachment 1).

SB 1188 – state liquor board; membership – DO PASS

Mr. Madeksza explained SB 1188 requires that one of the current seven members of the Arizona State Liquor Board (Board) be an active law enforcement officer with experience in issues concerning businesses selling liquor. He said the Board is responsible for hearing and ruling on liquor license applications that are protested by any number of entities. He noted that members of the Board are appointed by the Governor and confirmed by the Senate. He stated that a 6-line Leff amendment dated 2/4/03 at 4:20 p.m. is being proposed. Senator Leff stated she would like to wait until testimony is heard before she considers offering her amendment (Attachment B).

Senator Chevront, bill sponsor, stated representatives from his district are present to speak today on this issue.

Roberta Hancock, Art Advocate, testified in support of SB 1188. She explained that last Spring the liquor industry gained a second seat on the seven-member Board. She said it becomes very difficult for communities to be able to oppose a liquor license, and to revoke that license once it is granted. Ms. Hancock commented that part of the effort with this bill is to bring a law enforcement officer to sit on the Board in order for members to understand and interpret the crime statistics that liquor licenses could have on problematic communities or communities at large. She said she is not in favor of the suggested Leff amendment.

Senator Leff wanted to know why an active law enforcement officer would have to sit on the Board as opposed to a retired officer or someone who understands the issues. Ms. Hancock responded that by having an active law enforcement officer, that person would be acutely aware of the current circumstances. She noted the Board meets once a month; therefore, the time expended would be minimal. She said the time expended by law enforcement officers regarding the impact of liquor licenses in problematic community areas is much greater.

Steve Duffy, Attorney, Arizona Licensed Beverage Association, testified in support of SB 1188. He stated legislation last year added a retailer to the Board. He said neighborhood associations voiced concern that they had an interest to have a law enforcement officer on the Board, and the Association agreed. He said the Governor could appoint any number of law enforcement officers to the Board with or without legislation. Mr. Duffy addressed the amendment, which states only one law enforcement would be on the Board. He said the Association does not have a problem with the law enforcement officer being "active." He referred to the item in the amendment regarding a particular area, and said he does not believe the officer should be ruling on the issuance of licenses for the discipline of licenses. He said the object is to have someone on the Board who is knowledgeable about law enforcement issues, but not specific to the city or town in which the license is being considered. Mr. Duffy stated the Association supports the bill and believes the amendment improves the bill. He said discussions took place with neighborhood association individuals who approved of the amendment.

Senator Chevront stated he has not heard any neighborhood association individuals who approve of the amendment. He said he is not sure how a law enforcement officer would be less biased than someone who is within the industry. He emphasized that the point is to have someone who possesses a great deal of knowledge regarding the implications of how a liquor license would affect a neighborhood. He said a firefighter currently is a member of the Board, and questioned whether another person in law enforcement could be appointed to the Board. Mr. Duffy responded he does not believe having a firefighter on the Board would have any bearing on including a law enforcement officer. He said if that is a problem, perhaps it could be addressed through an amendment. He commented that the liquor wholesaler on the Board is recused from decisions having to do with customers or prospective customers. Senator Chevront commented he does not see what kind of effect or personal gain a law enforcement officer would have by opposing someone within his own city. He said he opposes the amendment.

Senator Leff announced she will not offer the amendment, and the issue can be debated on the floor if the bill goes forward.

Senator Chevront moved SB 1188 be returned with a DO PASS recommendation.

Senator Arzberger stated she opposes adding a law enforcement officer. Senator Chevront said the Board now has two members from the liquor industry that the Governor has to appoint, but only one

member from the neighborhoods. He stated this measure is an attempt to create balance for the neighborhoods to have an equal voice on the Board.

Kendra Vermeer, Willo Historic Neighborhood Board, testified in support of SB 1188. She said she is present to bring a sense of reality to the problems encountered on a day-to-day basis in the Central Corridor. She cited a recent situation and how the neighborhood was affected. She said the primary reason for the bill is to have a law enforcement officer serve on the Board who is knowledgeable regarding statistical information for a particular location. Senator Martin explained his vote. He stated without the amendment, he is not inclined to vote for the bill. He said he will vote “aye” at this time, but any further support would be based on some type of amendment on the floor.

Senator Tibshraeny explained his vote. He said his concern is that if a balance is desired of neighborhoods versus industry, a neighborhood advocate should be included to speak for the people rather than a law enforcement officer. He said based on his experiences in Chandler, the Police Department and local jurisdictions are already 100% involved. He said he will vote “no.”

Senator Blendu explained his vote. He said he agrees with the comments of Senator Tibshraeny. He said he will vote “no.”

Senator Leff explained her vote. She said she also has concerns, and the kind of example cited by Ms. Vermeer needs to be addressed. She said she is not comfortable including a law enforcement officer, and will vote “no.”

The motion CARRIED by a roll call vote of 5-4-0 (Attachment 2).

SB 1289 – check cashers; day laborers – DO PASS AMENDED

Mr. Madeksza explained SB 1289 permits a check cashing operation inside an office or labor pool to charge up to \$2 for cashing a check or other pay instrument. He indicated that legislation passed in 2000 prohibits a check-cashing operation within a labor pool office from charging a fee for cashing a check issued by the labor pool to a day laborer. He noted that the Arizona Attorney General’s Office (AG) has expressed its belief that a payment voucher is a check, and therefore employers are not allowed to charge for cashing the voucher. He said there is no anticipated fiscal impact associated with this bill. Mr. Madeksza explained the 7-line Leff amendment dated 2/18/03 at 8:19 a.m. specifies the intent that employees are given notice the fee exists, and that the employee has the right to receive a check that is negotiable at another location other than a labor pool’s office.

John Mangum, Attorney, representing Labor Ready, Inc., testified in support of SB 1289. He stated that Labor Ready is a company that provides temporary staffing services to businesses and industry in the State, and he provided background information regarding the company. He said he asked for this legislation because Labor Ready is a company that attempts to do good things for its employees. He said the nationwide company also provides employees with an opportunity to cash their checks at the office where the employee works. He said that employees are often forced to go to another facility to cash their checks; however, many of those facilities are not always available. In addition a check casher sometimes charges as much as \$5 or 3% of the check to cash that check. Mr. Mangum indicated that Labor Ready has a system that allows employees a choice between receiving a check or cash voucher. He said the cash voucher is a card that is processed at a cash-dispensing machine inside the Labor Ready offices for a charge of one dollar and odd cents. He said that Labor Ready employees are no longer able to cash checks because the AG has filed a lawsuit to prevent check cashing as it is a violation of the statute. He indicated that the lawsuit is still pending,

and may not be resolved for a long period of time. In the meantime, Labor Ready believes it would be better to approach the Legislature with this bill in an attempt to change the law.

Mr. Mangum stated that the bill as introduced would allow a check casher or employer to cash the payroll voucher for a fee of up to two dollars. He said after discussions with Senator Leff, an amendment was prepared to limit checks that can be cashed in a Labor Ready office or temporary staffing office to only employees. Mr. Mangum said there are two important points in the amendment. Every employee is told that an option is available, or a cash voucher can be taken and then that voucher can be cashed in the offices of Labor Ready. He said the second item in the amendment provides that Labor Ready must inform the employee of the cost or fee to use the check-cashing machine.

Mr. Mangum commented that another important issue concerns Labor Ready's computer system issuing the checks or vouchers that prohibits the company from issuing a cash voucher, if it would reduce an employee's pay below the federal minimum wage. He provided a brochure regarding Labor Ready to the Committee (Attachment C).

Mr. Mangum stated that when the AG filed the lawsuit in December, Labor Ready agreed to turn off the cash-dispensing machines and there was significant protest from the employees as a result. He said he has petitions individually executed by Labor Ready employees asking the Legislature to change the law in order to have the cash-dispensing machines back in the office. He commented he would like the Committee to listen to testimony from employees who work for Labor Ready on temporary jobs. He requested additional time to clarify any comments that are raised during the testimony of the workers.

In response to Senator Allen, Mr. Mangum stated Labor Ready is an international company with eleven Labor Ready offices in Arizona and an additional office to open soon in Gilbert. He explained that many employee job placements consist of multiple days, after which time they are paid. Mr. Mangum clarified further questions raised by the Committee regarding the operation of Labor Ready's check procedure.

In response to Senator Leff, Mr. Mangum stated that Wells Fargo Bank agreed to cash employees' checks for free; however, in some cases it presented a problem because Wells Fargo does not have banks in close proximity to all locations of Labor Ready offices. In response to Senator Giffords, Mr. Mangum stated Labor Ready is a \$900 million capitalization company.

John Hopkins, Vice President, Labor Ready, Inc., responded to Senator Giffords regarding questions she had on payment by voucher versus a check and any cost savings. He stated that the card stock used for printing is the same; therefore, it results in no additional cost savings. He said approximately three cents is made per voucher and those charges offset money sitting in cash-dispensing machines worldwide that service the employees.

In response to Senator Arzberger, Mr. Hopkins stated there has not been any discussions with Wells Fargo regarding the placement of small on-site banking facilities to accommodate the employees.

Senator Blendu stated he does not believe it is the State's business to become involved in this particular issue.

In response to Senator Soltero, Mr. Hopkins explained the procedure whereby an employee seeks work with Labor Ready.

Gail Hudson testified in support of SB 1289. She stated she has worked for Labor Ready and favors the cash-dispensing machine because it is more convenient.

James Joiner, testified in support of SB 1289. He stated he has worked for Labor Ready and favors the cash-dispensing machine because it provides instant money to commute to his home.

Daniel Uglis, testified in support of SB 1289. He stated that he agrees with Mr. Joiner and finds it more convenient to have the machine available.

David Chesses, testified in support of SB 1289. He stated he has worked in temporary positions for Labor Ready for the past two years. He likes the idea of having the cash-dispensing machine, and indicated he has signed a petition that has been forwarded to the AG.

Gerald Breeden, testified in support of SB 1289. He said he is newly relocated to Arizona and appreciates having the cash-dispensing machine for convenience and the few dollars he saves using the machine represents a savings to him.

Karen Uhlich, Executive Director, Southwest Center for Economic Integrity, testified in opposition to SB 1289. She stated that the Leff amendment addresses a specific concern, and the testimony reinforces the fact that workers may not be aware of all the options available to them. She said this past summer she surveyed check-cashing institutions in and around Labor Ready locations in Tucson. She said the amendment would allow discussions to take place regarding information that is critical to workers to ensure they are truly exercising the options available to them. She indicated that a study was conducted by the University of Arizona on day laborers, and the study found that loyalty had a positive and significant affect on workers' repeat ratios in securing jobs and was the only variable in the model to reach statistical significance.

Senator Blendu stated he rejects the entire argument. He said that Ms. Uhlich pointed out the locations in Tucson that would cash checks for less. However, the workers pointed out that it cost money to travel to those locations. He said until an offer of a ride is made to the workers, he does not see where having those check-cashing locations would be beneficial. Secondly, he said he disagrees with the loyalty because workers are working to be paid rather than to have the ability to cash a check. Ms. Uhlich said she also has petitions from workers who do not support the fees and when they were Labor Ready workers, they felt compelled to pay the fees. She said she understands that everyone is speaking on what they believe is in the best interest of the workers. However, she would like an opportunity to speak with Labor Ready regarding what would be considered a reasonable charge. She said a 2% cap at the maximum would be a reasonable check-cashing fee, and the posting requirements could be amended to ensure workers are aware of all options within the vicinity.

George Diaz, AG's Office, testified in opposition to SB 1289. He stated the AG's opposition has nothing to do with the value of Labor Ready, its employees or the services provided. He said it is based on two issues. He said the fee incurred by the workers is arbitrary and not a flat percentage or a fee. He indicated that more importantly, the outcome of this bill places the current court case with Labor Ready in jeopardy, in that any clarification or amendment to this statute could affect the outcome of the court case.

Senator Blendu moved SB 1289 be returned with a DO PASS recommendation.

Senator Blendu moved the 7-line Leff amendment dated 2/18/03 at 8:19 a.m. be ADOPTED (Attachment D). The motion CARRIED by a voice vote.

Senator Blendu moved SB 1289 be returned with an AS AMENDED, DO PASS recommendation.

Senator Allen explained her vote. She said she is very concerned that the individuals will not be exploited. She commented she is happy to support this bill for the workers, and those in opposition are also hopeful that the workers are not being exploited. Senator Allen said she appreciates everyone who appeared today, and will vote "aye."

Senator Arzberger explained her vote. She said this presents a bit of a quandary, and it makes a considerable difference when the AG's office indicates this bill may be premature. She said she will vote "no."

Senator Chevront explained his vote. He said he is in a bit of a quandary also. He commented that if there is no opportunity for workers to obtain cash on the site, they will go to a check-cashing facility. However, the AG's office indicates a lawsuit is pending, and he will have to vote "no" at this time.

Senator Giffords explained her vote. She said originally she was going to vote in support of the bill and amendment. However, because of the pending lawsuit, she will vote "no" at this time.

Senator Martin explained his vote. He stated he does not believe it would be worthwhile to operate the cash dispensing machines at the fee of one dollar and odd cents; however, he feels it is a reasonable option. He said he will vote "aye."

Senator Tibshraeny explained his vote. He stated that one of the reasons the bill is being heard is to clarify the lawsuit. He indicated that the workers are being penalized more in other areas where they are cashing their checks by having to pay excessive fees. He commented the bill should move forward, and the AG's office should be pursuing the excessive fee abuses. He said he will vote "aye."

Senator Blendu explained his vote. He said he is grateful for the individuals who are present in opposition to the bill because they are concerned regarding abuses of the workers. However, he said this issue comes down to the question of "who do you trust?" He said he trusts the workers who are smart enough to know whether to cash their checks at a machine or go to a bank. He said he will vote "aye."

Senator Leff explained her vote. She said the issue of the lawsuit has concerned some Committee members. She noted that the only reason a lawsuit exists is because of language in laws previously passed. She indicated this bill attempts to clarify the law, and it could terminate the lawsuit. The workers at Labor Ready would then be allowed a choice of how they cash their paychecks. She emphasized this issue should protect the workers by giving them the ability to cash a paycheck in any way they find best. She said she will vote "aye."

The motion CARRIED by a roll call vote of 5-4-0 (Attachment 3).

SB 1310 – tobacco; nonparticipating manufacturers – HELD

SB 1346 – loan originator licensing - HELD

Senator Leff announced that due to lack of time, SB 1310 and SB 1346 will be held until next week's agenda.

There being no further business, the meeting adjourned at 11:27 a.m.

Respectfully submitted,

Nancy L. DeMichele
Committee Secretary

(Tapes and attachments on file in the Secretary of the Senate's Office/Resource Center, Room 115.)