

**HB 2112 STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 2/8

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**WHAT THE MEASURE DOES:**

Prohibits a financial institution from closing an account without account holder's consent unless 60 days' notice of closure and reason for closure is provided. Provides exception when financial institution reasonably believes account was used in conjunction with illegal activity.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

House Bill 2112 applies only to the following types of accounts: demand deposit accounts, checking or negotiable withdrawal order accounts, savings accounts, share draft accounts, time deposit accounts, and money-market mutual fund accounts. It does not apply to credit accounts. The measure gives rulemaking authority to the Department of Consumer and Business Services to implement the provisions of the Act.