
SENATE BILL 5704

State of Washington 53rd Legislature 1993 Regular Session

By Senators Prentice, Moore and Amondson

Read first time 02/10/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to the unlawful factoring of credit card
2 transactions; adding new sections to chapter 9A.56 RCW; and prescribing
3 penalties.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 9A.56 RCW
6 to read as follows:

7 As used in sections 1 and 2 of this act, unless the context
8 requires otherwise:

9 (1) "Cardholder" means a person to whom a credit card is issued or
10 a person who is authorized to use the credit card.

11 (2) "Credit card" means a card, plate, booklet, credit card number,
12 credit card account number, or other identifying symbol, instrument, or
13 device that can be used to pay for, or to obtain on credit, goods or
14 services.

15 (3) "Credit card transaction" means a sale or other transaction or
16 act in which a credit card is used to pay for, or to obtain on credit,
17 goods or services.

18 (4) "Credit card transaction record" means a record or evidence of
19 a credit card transaction, including, without limitation, a paper,

1 sales draft, instrument, or other writing and an electronic or magnetic
2 transmission or record.

3 (5) "Financial institution" means a bank, trust company, mutual
4 savings bank, savings and loan association, or credit union authorized
5 under state or federal law to do business and accept deposits in
6 Washington.

7 (6) "Merchant" means a person authorized by a financial institution
8 to honor or accept credit cards in payment for goods or services.

9 (7) "Person" does not include a financial institution or its
10 authorized employee, representative, or agent.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 9A.56 RCW
12 to read as follows:

13 (1) A person commits the crime of unlawful factoring of a credit
14 card transaction if the person intentionally or knowingly:

15 (a) Presents to or deposits with, or causes another to present to
16 or deposit with, a financial institution for payment a credit card
17 transaction record that is not the result of a credit card transaction
18 between the cardholder and the person;

19 (b) Employs, solicits, or otherwise causes a merchant or employee,
20 representative, or agent of a merchant to present to or deposit with a
21 financial institution for payment a credit card transaction record that
22 is not the result of a credit card transaction between the cardholder
23 and the merchant; or

24 (c) Employs, solicits, or otherwise causes another to become a
25 merchant for purposes of engaging in conduct made unlawful by this
26 section.

27 (2) Normal transactions conducted by or through airline reporting
28 corporation-appointed travel agents or cruise-only travel agents
29 recognized by passenger cruise lines are not considered unlawful
30 factoring for the purposes of this section.

31 (3) Unlawful factoring of a credit card transaction is a class C
32 felony.

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