
SENATE BILL 5370

State of Washington

54th Legislature

1995 Regular Session

By Senators Hale, Winsley, Haugen and Wood

Read first time 01/20/95. Referred to Committee on Government Operations.

1 AN ACT Relating to the use of credit cards by local governments;
2 amending RCW 42.24.115; adding a new section to chapter 39.58 RCW; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that (1) the use of
6 credit cards is a customary and economical business practice to improve
7 cash management, reduce costs, and increase efficiency; and (2) local
8 governments should consider and use credit cards when appropriate.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 39.58 RCW
10 to read as follows:

11 (1) Local governments, including counties, cities, towns, special
12 purpose districts, municipal and quasi-municipal corporations, and
13 political subdivisions, are authorized to use credit cards for official
14 government purchases and acquisitions.

15 (2) A treasurer or custodian of public funds for a local government
16 may contract with a financial institution or institutions for issuance
17 of the credit cards.

1 (3) The treasurer or custodian of public funds shall adopt a system
2 for:

3 (a) The distribution of the credit cards;

4 (b) The authorization and control of the use of credit card funds;

5 (c) The credit limits available on the credit cards;

6 (d) Payment of the bills; and

7 (e) Any other rule necessary to implement or administer the system
8 under this section.

9 (4) As used in this section, "credit card" means a card or device
10 issued by a financial institution under an arrangement pursuant to
11 which the issuing financial institution gives to a card holder the
12 privilege of obtaining credit from the issuer or other persons in
13 purchasing or leasing property or services, obtaining loans, or
14 otherwise, and the issuer of which is not principally engaged in the
15 business of selling goods.

16 (5) Any credit card system adopted under this section is subject to
17 examination by the state auditor's office pursuant to chapter 43.09
18 RCW.

19 **Sec. 3.** RCW 42.24.115 and 1984 c 203 s 5 are each amended to read
20 as follows:

21 (1) Any municipal corporation or political subdivision may provide
22 for the issuance of charge cards to officers and employees for the
23 (~~sole~~) purpose of covering expenses incident to authorized travel.

24 (2) If a credit card is issued for the purpose of covering expenses
25 relating to authorized travel, upon billing or no later than ten days
26 of the billing date, the officer or employee using a charge card issued
27 under this section shall submit a fully itemized travel expense
28 voucher. Any charges against the charge card not properly identified
29 on the travel expense voucher or not allowed following the audit
30 required under RCW 42.24.080 shall be paid by the official or employee
31 by check, United States currency, or salary deduction.

32 (3) If, for any reason, disallowed charges are not repaid before
33 the charge card billing is due and payable, the municipal corporation
34 or political subdivision shall have a prior lien against and a right to
35 withhold any and all funds payable or to become payable to the official
36 or employee up to an amount of the disallowed charges and interest at
37 the same rate as charged by the company which issued the charge card.
38 Any official or employee who has been issued a charge card by a

1 municipal corporation or political subdivision shall not use the card
2 if any disallowed charges are outstanding and shall surrender the card
3 upon demand of the auditing officer. The municipal corporation or
4 political subdivision shall have unlimited authority to revoke use of
5 any charge card issued under this section, and, upon such revocation
6 order being delivered to the charge card company, shall not be liable
7 for any costs.

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