
HOUSE BILL 1236

State of Washington

56th Legislature

1999 Regular Session

By Representatives Sullivan, Hatfield, Kastama, Rockefeller, Campbell, Morris, Gombosky, Conway, McIntire, Keiser, Cody, Santos and Kenney

Read first time 01/19/1999. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to credit card late fees; and adding a new section
2 to chapter 19.86 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 19.86 RCW
5 to read as follows:

6 (1) The legislature finds that the use of credit cards is an
7 important tool for consumers in today's economy. The legislature also
8 finds that credit card companies are in a superior bargaining position
9 when marketing credit cards to Washington consumers. The imposition of
10 monthly late fees, in addition to collecting interest, concerns the
11 legislature as possibly excessive profits at the expense of Washington
12 consumers, particularly when there is little or no grace period before
13 the late fee is assessed.

14 (2) It is an unfair practice under RCW 19.86.020 for a credit card
15 company to impose a late fee on the credit card of a Washington
16 consumer when the monthly payment is received within five business days
17 of the payment due date.

18 (3) As used in this section:

1 (a) "Credit card company" means a state or federally chartered
2 bank, trust company, savings bank, or credit union, or other entity,
3 located in or outside Washington state, that issues credit cards to
4 Washington residents or services these credit cards.

5 (b) "Credit card" means a card or device existing for the purpose
6 of obtaining money, property, labor, or services on credit.

7 NEW SECTION. **Sec. 2.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

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