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**Financial Institutions &  
Insurance Committee**

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**SB 5720**

**Brief Description:** Allowing merchants to require additional identification when conducting credit and debit card sales.

**Sponsors:** Senators Winsley, Prentice, Benton, Kline and Rasmussen.

**Brief Summary of Bill**

- Voids contract provisions between a retailer and a credit/debit card issuer which prohibit retailers from requesting verification of a customer's identity during a credit/debit card transaction.

**Hearing Date:** 3/21/03.

**Staff:** Thamas Osborn (786-7129).

**Background:**

In contracts between retailers and certain credit/debit card issuers, the retailer is sometimes prohibited from requesting identification from customers during credit/debit card transactions. Such contract provisions have been criticized as making it easier for criminals to engage in credit card fraud.

**Summary of Bill:**

Provisions of contracts between retailers and credit/debit card issuers that prohibit verification of a customer's identity during a credit/debit card transaction are void for violation of public policy. Merchants are not required to verify a customer's identity, but may if they so choose. Retail chains may make and enforce their own policies regarding identity verification.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.