

# SENATE BILL REPORT

## SB 5720

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As Passed Senate, March 6, 2003

**Title:** An act relating to identifying users of credit and debit cards.

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

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

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 2/13/03, 2/20/03 [DP].  
Passed Senate: 3/6/03, 49-0.

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Roach and Zarelli.

**Staff:** Joanne Conrad (786-7472)

**Background:** Credit and debit card fraud is increasing, costing consumers money and adding pressure to the limited resources of law enforcement. Some of this type of fraud might be preventable, if retailers were able to confirm the identity of the person making the transaction. Some retailers are prevented from asking for additional identification, because their master agreement with the credit card issuer prevents it.

**Summary of Bill:** Provisions of contracts between retailers and credit/debit card issuers that prohibit verification of identity during a credit/debit card transaction are void for violation of public policy. Merchants are not required to check additional identification, but may if they choose to do so. Retail chains may make and enforce their own policies regarding verification of identity.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill has broad support from financial institutions, retailers and American Express. Retailers need this flexibility, to prevent fraud without fear of violating their contracts.

**Testimony Against:** None.

**Testified:** Holly Chisa, WA Food Industry; Gary Gardner, Boeing Employees Credit Union.