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SENATE BILL 5231

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State of Washington

58th Legislature

2003 Regular Session

By Senators Prentice, Keiser and B. Sheldon

Read first time 01/20/2003. Referred to Committee on Financial Services, Insurance & Housing.

1 AN ACT Relating to credit card-based checks; adding a new section  
2 to chapter 19.200 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that financial fraud  
5 and white collar crime are serious problems, with expensive  
6 consequences for consumers, taxpayers, financial institutions, and  
7 retailers. The ready availability of unsolicited checks sent by credit  
8 card issuers to card holders presents an opportunity for theft,  
9 criminal misuse, and identity theft, as well as a temptation to  
10 consumers to overextend themselves. Pathological gamblers,  
11 inexperienced consumers, and persons with compulsive spending problems  
12 may be encouraged to make use of unsolicited checks, putting themselves  
13 and their families at additional financial risk. Mail thieves are able  
14 to make use of the checks. The legislature finds that, although the  
15 checks may be useful for some consumers' occasional needs, the checks  
16 would be more appropriate if they were issued only upon request of the  
17 card holder. The legislature intends to reduce financial fraud and  
18 inhibit consumer financial overextension by requiring credit card

1 issuers to provide credit-based checks only upon affirmative request of  
2 the card holder.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.200 RCW  
4 to read as follows:

5 For credit card accounts held by legal residents of Washington  
6 state, credit card issuers shall provide a clearly worded, large-print  
7 notice of the following:

8 (1) Credit card-based checks are available only upon request and  
9 authorization by the card holder; and

10 (2) The issuance of unsolicited credit card-based checks to legal  
11 residents of Washington state is prohibited.

12 The legislature finds that the practices covered by this section  
13 are matters vitally affecting the public interest for the purpose of  
14 applying the consumer protection act, chapter 19.86 RCW. A second or  
15 subsequent violation of this section is not reasonable in relation to  
16 the development and preservation of business and is an unfair or  
17 deceptive act in trade or commerce and an unfair method of competition  
18 for the purpose of applying the consumer protection act, chapter 19.86  
19 RCW.

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