

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5370

54th Legislature
1995 Regular Session

Passed by the Senate March 8, 1995
YEAS 44 NAYS 4

President of the Senate

Passed by the House April 4, 1995
YEAS 94 NAYS 3

**Speaker of the
House of Representatives**

Approved

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5370** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5370

Passed Legislature - 1995 Regular Session

State of Washington 54th Legislature 1995 Regular Session

By Senate Committee on Government Operations (originally sponsored by
Senators Hale, Winsley, Haugen and Wood)

Read first time 02/22/95.

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 local government may contract for issuance of the credit
16 cards.

17 (3) The legislative body shall adopt a system for:

18 (a) The distribution of the credit cards;

- 1 (b) The authorization and control of the use of credit card funds;
2 (c) The credit limits available on the credit cards;
3 (d) Payment of the bills; and
4 (e) Any other rule necessary to implement or administer the system
5 under this section.

6 (4) As used in this section, "credit card" means a card or device
7 issued under an arrangement pursuant to which the issuer gives to a
8 card holder the privilege of obtaining credit from the issuer.

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

12 (6) Cash advances on credit cards are prohibited.

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

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

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

26 (3) If, for any reason, disallowed charges are not repaid before
27 the charge card billing is due and payable, the municipal corporation
28 or political subdivision shall have a prior lien against and a right to
29 withhold any and all funds payable or to become payable to the official
30 or employee up to an amount of the disallowed charges and interest at
31 the same rate as charged by the company which issued the charge card.
32 Any official or employee who has been issued a charge card by a
33 municipal corporation or political subdivision shall not use the card
34 if any disallowed charges are outstanding and shall surrender the card
35 upon demand of the auditing officer. The municipal corporation or
36 political subdivision shall have unlimited authority to revoke use of
37 any charge card issued under this section, and, upon such revocation

1 order being delivered to the charge card company, shall not be liable
2 for any costs.

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