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**SUBSTITUTE SENATE BILL 5704**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** Senate Committee on Law & Justice (originally sponsored by Senators Prentice, Moore and Amondson)

Read first time 03/01/93.

1       AN ACT Relating to the unlawful factoring of credit card  
2 transactions; adding new sections to chapter 9A.56 RCW; and prescribing  
3 penalties.

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

5       NEW SECTION. **Sec. 1.** A new section is added to chapter 9A.56 RCW  
6 to read as follows:

7       As used in sections 1 and 2 of this act, unless the context  
8 requires otherwise:

9       (1) "Cardholder" means a person to whom a credit card is issued or  
10 a person who otherwise is authorized to use a credit card.

11       (2) "Credit card" means a card, plate, booklet, credit card number,  
12 credit card account number, or other identifying symbol, instrument, or  
13 device that can be used to pay for, or to obtain on credit, goods or  
14 services.

15       (3) "Credit card transaction" means a sale or other transaction in  
16 which a credit card is used to pay for, or to obtain on credit, goods  
17 or services.

18       (4) "Credit card transaction record" means a record or evidence of  
19 a credit card transaction, including, without limitation, a paper,

1 sales draft, instrument, or other writing and an electronic or magnetic  
2 transmission or record.

3 (5) "Financial institution" means a bank, trust company, mutual  
4 savings bank, savings and loan association, or credit union authorized  
5 under state or federal law to do business and accept deposits in  
6 Washington.

7 (6) "Merchant" means a person authorized by a financial institution  
8 to honor or accept credit cards in payment for goods or services.

9 (7) "Person" means an individual, partnership, corporation, trust,  
10 or unincorporated association, but does not include a financial  
11 institution or its authorized employees, representatives, or agents.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 9A.56 RCW  
13 to read as follows:

14 (1) A person commits the crime of unlawful factoring of a credit  
15 card transaction if the person intentionally, knowingly, or recklessly  
16 facilitates a violation of the Consumer Protection Act, chapter 19.86  
17 RCW, by:

18 (a) Presenting to or depositing with, or causing another to present  
19 to or deposit with, a financial institution for payment a credit card  
20 transaction record that is not the result of a credit card transaction  
21 between the cardholder and the person;

22 (b) Employing, soliciting, or otherwise causing a merchant or an  
23 employee, representative, or agent of a merchant to present to or  
24 deposit with a financial institution for payment a credit card  
25 transaction record that is not the result of a credit card transaction  
26 between the cardholder and the merchant; or

27 (c) Employing, soliciting, or otherwise causing another to become  
28 a merchant for purposes of engaging in conduct made unlawful by this  
29 section.

30 (2) Normal transactions conducted by or through airline reporting  
31 corporation-appointed travel agents or cruise-only travel agents  
32 recognized by passenger cruise lines are not considered factoring for  
33 the purposes of this section.

34 (3) Unlawful factoring of a credit card transaction is a class C  
35 felony.

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