
SENATE BILL 6349

State of Washington

52nd Legislature

1992 Regular Session

By Senators von Reichbauer, Owen and Pelz

Read first time 01/27/92. Referred to Committee on Financial Institutions & Insurance.

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 is authorized to use the 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.

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

4 (4) "Credit card transaction record" means a record or evidence of
5 a credit card transaction, including, without limitation, a paper,
6 sales draft, instrument, or other writing and an electronic or magnetic
7 transmission or record.

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

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

14 (7) "Person" does not include a financial institution or its
15 authorized employee, representative, or agent.

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

18 (1) A person commits the crime of unlawful factoring of a credit
19 card transaction if the person intentionally or knowingly:

20 (a) Presents to or deposits with, or causes another to present to
21 or deposit with, a financial institution for payment a credit card
22 transaction record that is not the result of a credit card transaction
23 between the cardholder and the person;

24 (b) Employs, solicits, or otherwise causes a merchant or employee,
25 representative, or agent of a merchant to present to or deposit with a
26 financial institution for payment a credit card transaction record that
27 is not the result of a credit card transaction between the cardholder
28 and the merchant; or

1 (c) Employs, solicits, or otherwise causes another to become a
2 merchant for purposes of engaging in conduct made unlawful by this
3 section.

4 (2) Unlawful factoring of a credit card transaction is a class C
5 felony.