

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5704**

Chapter 484, Laws of 1993

53rd Legislature  
1993 Regular Session

UNLAWFUL FACTORING OF CREDIT CARD TRANSACTIONS

EFFECTIVE DATE: 7/25/93

Passed by the Senate April 24, 1993  
YEAS 43 NAYS 0

JOEL PRITCHARD

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**President of the Senate**

Passed by the House April 24, 1993  
YEAS 96 NAYS 0

BRIAN EBERSOLE

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**Speaker of the  
House of Representatives**

Approved May 17, 1993

MIKE LOWRY

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**Governor of the State of Washington**

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5704** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MARTY BROWN

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**Secretary**

FILED

May 17, 1993 - 2:20 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5704**

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AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 1993 Regular Session

**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, with intent to commit fraud or theft  
16 against a cardholder, credit card issuer, or financial institution,  
17 causes any such party or parties to suffer actual monetary damages that  
18 in the aggregate exceed one thousand dollars, by:

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

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

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

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

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

Passed the Senate April 24, 1993.  
Passed the House April 24, 1993.  
Approved by the Governor May 17, 1993.  
Filed in Office of Secretary of State May 17, 1993.