

HOUSE BILL REPORT

HB 2410

As Reported By House Committee On:

Financial Institutions & Insurance

Title: An act relating to credit cards.

Brief Description: Protecting credit card users.

Sponsors: Representatives Lovick, Bush, McIntire, O'Brien, Keiser, Edwards, Reardon, Haigh, Schual-Berke, Scott, Stensen, Rockefeller, Kenney, Thomas, Morris, Wood, Regala, Hurst, Ogden, Ruderman and Kagi.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/1/00, 2/4/00 [DPS].

Brief Summary of Substitute Bill

- A merchant cannot list more than the last five digits of the credit card account number or print the credit card expiration date on an electronically printed credit card receipt.
- Existing machines have until 2004 to comply.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Benson, Republican Co-Chair; Hatfield, Democratic Co-Chair; Bush, Republican Vice Chair; McIntire, Democratic Vice Chair; Barlean; Cairnes; DeBolt; Keiser; Quall; Santos; Sullivan and Talcott.

Staff: Charlie Gavigan (786-7340).

Background:

Credit is regulated by both state and federal law. Except for the Retail Sales Installment Act, there are few state statutes that specifically regulate credit cards.

State statutes that regulate credit in general may apply to credit cards, such as consumer protection provisions.

There are several federal provisions that regulate credit cards. For instance, federal law requires that credit card lenders provide certain disclosures to consumers and follow certain requirements when changing contract terms, and provide protection for consumers whose cards are lost or stolen. The federal statutes on credit cards generally do not preempt state laws on credit cards unless the state laws provide less consumer protection or unless they specifically contradict federal law.

Summary of Substitute Bill:

A merchant cannot list more than the last five digits of the credit card account number or print the credit card expiration date on an electronically printed credit card receipt. Machines placed in service prior to July 1, 2001, have until July 1, 2004, to comply with this provision.

Substitute Bill Compared to Original Bill: The bill applies after July 1, 2001, to machines placed in service on or after that date, and applies after July 1, 2004, for machines placed into service before July 1, 2001.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: July 1, 2001.

Testimony For: Displaying the credit card number and expiration date on a credit card receipt can place the cardholder at risk if an unscrupulous person finds the receipt. This bill protects the consumer by requiring that receipts not show more than the last five digits of the credit card number. California passed a similar law. There should be a phase-in period for existing machines to be updated within a reasonable time.

Testimony Against: None.

Testified: (In support) Representative John Lovich, Sponsor.

(In support with concerns) Jan Gee, Washington Retail Association.