
SENATE BILL 5190

State of Washington

53rd Legislature

1993 Regular Session

By Senators Loveland and Moore

Read first time 01/15/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to payment of credit card accounts; and adding a
2 new section to chapter 62A.3 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 62A.3 RCW
5 to read as follows:

6 (1) A financial institution shall credit a credit card account on
7 the same banking day upon which payment is received when (a) the
8 financial institution issued the credit card, and (b) the cardholder
9 has made proper payment. If an account is credited before the day upon
10 which a late penalty is charged or interest is accrued under the credit
11 card agreement, no late penalties may be charged if the minimum payment
12 has been credited, and no interest charges may be accrued if the
13 account balance has been paid in full.

14 (2) Unless the context clearly requires otherwise, the definitions
15 in this subsection apply throughout this section.

16 (a) "Financial institution" means a state chartered bank, savings
17 bank, credit union, or savings and loan association authorized to
18 transact business in this state and includes a corresponding federally

1 chartered lender if federal law or regulation does not prohibit the
2 application of this section to such federally chartered lenders.

3 (b) "Proper payment" means payment made by cash, United States
4 Postal Service money order, cashier's check, or check so long as
5 sufficient funds exist within the account upon which a check is drawn
6 to honor the face amount of the check, and the check is received by a
7 branch of a financial institution and drawn on the same or another
8 branch of the same financial institution.

9 (3) The legislature finds the practices covered by this section are
10 matters vitally affecting the public interest for the purpose of
11 applying the Consumer Protection Act, chapter 19.86 RCW. Violations of
12 this section are not reasonable in relation to the development and
13 preservation of business. A violation of this section is an unfair or
14 deceptive act in trade or commerce and an unfair method of competition
15 for the purpose of applying the Consumer Protection Act, chapter 19.86
16 RCW.

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