

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Senator Bradford**

# A Bill

**SENATE BILL**

## **For An Act To Be Entitled**

8 "AN ACT TO PROVIDE THAT INTENTIONAL FACTORING OF FINANCIAL  
9 TRANSACTION CARD RECORDS OF SALE SHALL BE PUNISHABLE AS  
10 FRAUD; AND FOR OTHER PURPOSES."

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12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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14 SECTION 1. Definitions.

15 The following words and phrases as used in this Act, unless a different  
16 meaning is plainly required by the context, shall have the following meanings:

17 (1) "Acquirer" means a business organization, financial institution, or  
18 an agent of a business organization or financial institution that authorizes a  
19 merchant to accept payment by financial transaction card for money, goods,  
20 services or anything else of value.

21 (2) "Cardholder" means the person or organization named on the face of  
22 a financial transaction card to whom or for whose benefit the financial  
23 transaction card is issued by an issuer.

24 (3) "Financial transaction card" means any instrument or device whether  
25 known as a credit card, credit plate, bank services card, banking card, check  
26 guarantee card, debit card, or by any other name, issued with or without fee  
27 by an issuer for the use of the cardholder:

28 (A) In obtaining money, goods, services, or anything else of value on  
29 credit; or

30 (B) In certifying or guaranteeing to a person or business the  
31 availability to the cardholder of funds on deposit that are equal to or  
32 greater than the amount necessary to honor a draft or check payable to the  
33 order of such person or business; or

34 (C) In providing the cardholder access to a demand deposit account or  
35 time deposit account for the purpose of:

- 1 (i) Making deposits of money or checks therein; or
- 2 (ii) Withdrawing funds in the form of money, money orders, or
- 3 traveler's checks therefrom; or
- 4 (iii) Transferring funds from any demand deposit account or time
- 5 deposit account to any other demand deposit account or time deposit account;
- 6 or
- 7 (iv) Transferring funds from any demand deposit account or time
- 8 deposit account to any credit card accounts, overdraft privilege accounts,
- 9 loan accounts, or any other credit accounts in full or partial satisfaction of
- 10 any outstanding balance owed existing therein; or
- 11 (v) For the purchase of goods, services or anything else of
- 12 value; or
- 13 (vi) Obtaining information pertaining to any demand deposit
- 14 account or time deposit account.

15 (4) "Issuer" means the business organization or financial institution  
 16 or its duly authorized agent which issues a financial transaction card.

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 18 SECTION 2. (a) A person authorized by an acquirer to furnish money,  
 19 goods, services or anything else of value upon presentation of a financial  
 20 transaction card or a financial transaction card account number by a  
 21 cardholder, or any agent or employee of such person, who, with intent to  
 22 defraud the issuer, acquirer, or cardholder, remits to an issuer or acquirer,  
 23 for payment, a financial transaction card record of a sale, which sale was not  
 24 made by such person, his agent or employee, is guilty of financial transaction  
 25 card fraud.

26 (b) Any person violating this section is guilty of a class C felony.

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 28 SECTION 3. Criminal Factoring of Financial Transaction Card Records.

29 Any person who, without the acquirer's express authorization, employs or  
 30 solicits an authorized merchant, or any agent or employee of such merchant, to  
 31 remit to an issuer or acquirer, for payment, a financial transaction card  
 32 record of sale, which sale was not made by such merchant, his agent or  
 33 employee, is guilty of a class C felony.

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 35 SECTION 4. All provisions of this Act of a general and permanent nature

1 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
2 Revision Commission shall incorporate the same in the Code.

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4 SECTION 5. If any provision of this Act or the application thereof to  
5 any person or circumstance is held invalid, such invalidity shall not affect  
6 other provisions or applications of the Act which can be given effect without  
7 the invalid provision or application, and to this end the provisions of this  
8 Act are declared to be severable.

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10 SECTION 6. All laws and parts of laws in conflict with this Act are  
11 hereby repealed.

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