

1 **FINANCIAL TRANSACTION CARD OFFENSES**

2 2009 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Julie Fisher**

5 Senate Sponsor: Gregory S. Bell

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the Criminal Code regarding fraudulent use of financial transaction
10 cards.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ clarifies the definition of "card holder";
- 14 ▶ revises language to provide that the offense of:
 - 15 • unlawful use of a financial transaction card to obtain goods or services involves
 - 16 acting knowingly and with the intent to defraud;
 - 17 • unlawful use of a financial transaction card to exceed authorized credit involves
 - 18 acting knowingly and with the intent to defraud; and
 - 19 • applying for a financial transaction card and providing a false statement or
 - 20 report of required information in the application process involves acting
 - 21 knowingly and with the intent to defraud; and
 - 22 ▶ repeals certain provisions that have been addressed by amendments or are no longer
 - 23 applicable to the enforcement of these financial transaction offenses.

24 **Monies Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

- 30 **76-6-506**, as last amended by Laws of Utah 1991, Chapter 60
- 31 **76-6-506.2**, as last amended by Laws of Utah 2007, Chapter 306
- 32 **76-6-506.3**, as last amended by Laws of Utah 2003, Chapter 306
- 33 **76-6-506.5**, as last amended by Laws of Utah 2000, Chapter 57

34 REPEALS:

- 35 **76-6-506.1**, as last amended by Laws of Utah 1997, Chapter 191
- 36 **76-6-506.4**, as enacted by Laws of Utah 1983, Chapter 96



38 *Be it enacted by the Legislature of the state of Utah:*

39 Section 1. Section **76-6-506** is amended to read:

40 **76-6-506. Financial transaction card offenses -- Definitions.**

41 ~~[For purposes of]~~ As used in this part:

42 (1) "Authorized credit card merchant" means a person as defined in Section 68-3-12
43 who is authorized by an issuer to furnish money, goods, services, or anything else of value
44 upon presentation of a financial transaction card by a card holder and to present valid credit
45 card sales drafts to the issuer for payment.

46 (2) "Automated banking device" means any machine which, when properly activated
47 by a financial transaction card or a personal identification code, may be used for any of the
48 purposes for which a financial transaction card may be used.

49 (3) "Card holder" means any person or organization named on the face of a financial
50 transaction card to whom or for whose benefit a financial transaction card is issued ~~[by an~~
51 ~~issuer]~~.

52 (4) "Credit card sales draft" means any sales slip, draft, or other written or electronic
53 record of a sale of money, goods, services, or anything else of value made or purported to be
54 made to or at the request of a card holder with a financial transaction card, financial
55 transaction card credit number, or personal identification code, whether the record of the sale
56 or purported sale is evidenced by a sales draft, voucher, or other similar document in writing
57 or electronically recorded and transmitted.

58 (5) "Financial transaction card" means:

59 (a) any credit card, credit plate, bank services card, banking card, check guarantee
60 card, debit card, telephone credit card, or any other card, issued by an issuer for the use of the
61 card holder in obtaining money, goods, services, or anything else of value on credit, or in
62 certifying or guaranteeing to a person or business the availability to the card holder of the
63 funds on deposit that are equal to or greater than the amount necessary to honor a draft or
64 check payable to the order of the person or business; or

65 (b) any instrument or device used in providing the card holder access to a demand or
66 time deposit account for the purpose of making deposits of money or checks in the account, or
67 withdrawing funds from the account in the form of money, money orders, travelers' checks or
68 other form representing value, or transferring funds from any demand or time deposit account
69 to any credit card account in full or partial satisfaction of any outstanding balance existing in
70 the credit card account.

71 (6) "Issuer" means a business organization or financial institution or its agent that
72 issues a financial transaction card.

73 (7) "Personal identification code" means any numerical or alphabetical code assigned
74 to a card holder by the issuer to permit the authorized electronic use of ~~[his]~~ the holder's
75 financial transaction card.

76 Section 2. Section **76-6-506.2** is amended to read:

77 **76-6-506.2. Financial transaction card offenses -- Unlawful use of card -- False**
78 **application for card.**

79 It is unlawful for any person to:

80 (1) knowingly~~[-with intent to defraud,]~~ use a false, fictitious, altered, counterfeit,
81 revoked, expired, stolen, or fraudulently obtained financial transaction card to obtain or
82 attempt to obtain credit [or purchase or attempt to purchase], goods, property, or services[-by
83 the use of a false, fictitious, altered, counterfeit, revoked, expired, stolen, or fraudulently
84 obtained financial transaction card, by any financial transaction card credit number, personal
85 identification code, or by the use of a financial transaction card not authorized by the issuer or

86 ~~the card holder];~~

87 (2) knowingly, with the intent to defraud, use a financial transaction card, [~~with intent~~
88 ~~to defraud, to knowingly and willfully exceed the actual balance of a demand or time deposit~~
89 ~~account] credit number, personal identification code, or any other information contained on
90 the card or in the account from which the card is issued, to obtain or attempt to obtain credit,
91 goods, or services;~~

92 (3) knowingly, with the intent to defraud, use a financial transaction card[~~, with intent~~
93 ~~to defraud,]~~ to willfully exceed an authorized credit line by \$500 or more, or by 50% or more
94 of [~~such~~] the line of credit, whichever is greater;

95 [~~(4) willfully, with intent to defraud, deposit into his or any other account by means of~~
96 ~~an automated banking device a false, fictitious, forged, altered, or counterfeit check, draft,~~
97 ~~money order, or any other similar document;]~~

98 [~~(5)~~] (4) (a) knowingly, with the intent to defraud, make application for a financial
99 transaction card to an issuer[~~, while knowingly making or causing~~] and make or cause to be
100 made a false statement or report [~~relative to his~~] of the person's name, occupation, financial
101 condition, assets, or personal identifying information; or [~~to~~]

102 (b) willfully and substantially undervalue or understate any indebtedness for the
103 purposes of influencing the issuer to issue the financial transaction card; or

104 [~~(6)~~] (5) knowingly, with the intent to defraud [~~any authorized credit card merchant,~~
105 ~~card holder, or issuer, sell or attempt to sell credit card sales drafts to an authorized credit card~~
106 ~~merchant or any other person or organization, for any consideration whether at a discount or~~
107 ~~otherwise, or], present or cause to be presented to the issuer or an authorized credit card
108 merchant, for payment or collection, any [~~such~~] credit card sales draft, if:~~

109 (a) the draft is counterfeit or fictitious;

110 (b) the purported sales evidenced by any [~~such~~] credit card sales draft did not take
111 place;

112 (c) the purported sale was not authorized by the card holder; or

113 (d) the items or services purported to be sold as evidenced by the credit card sales

114 drafts are not delivered or rendered to the card holder or person intended to receive them[; or].
115 ~~[(e) when delivered or rendered, the goods or services are materially different or of~~
116 ~~materially lesser value or quality than represented by the seller or his agent to the purchaser, or~~
117 ~~have substantial discrepancies from goods or services impliedly represented by the purchase~~
118 ~~price when compared with the actual goods or services delivered or rendered.]~~

119 Section 3. Section **76-6-506.3** is amended to read:

120 **76-6-506.3. Financial transaction card offenses -- Unlawful acquisition,**
121 **possession, or transfer of card.**

122 Any person is guilty of a third degree felony who:

123 (1) acquires a financial transaction card from another without the consent of the card
124 holder or the issuer[; or, with the knowledge that it has been acquired without consent, and
125 with intent to use it in violation of Section 76-6-506.2];

126 (2) receives a financial transaction card with intent to use it in violation of Section
127 76-6-506.2;

128 (3) sells or transfers a financial transaction card to another person with the knowledge
129 that it will be used in violation of Section 76-6-506.2;

130 (4) (a) acquires a financial transaction card that the person knows was lost, mislaid, or
131 delivered under a mistake as to the identity or address of the card holder; and

132 (b) (i) retains possession with intent to use it in violation of Section 76-6-506.2; or

133 (ii) sells or transfers a financial transaction card to another person with the knowledge
134 that it will be used in violation of Section 76-6-506.2; or

135 (5) possesses, sells, or transfers any information necessary for the use of a financial
136 transaction card, including the credit number of the card, the expiration date of the card, or the
137 personal identification code related to the card:

138 (a) (i) without the consent of the card holder or the issuer; or

139 (ii) with the knowledge that the information has been acquired without consent of the
140 card holder or the issuer; and

141 (b) with intent to use the information in violation of Section 76-6-506.2.

142 Section 4. Section **76-6-506.5** is amended to read:

143 **76-6-506.5. Financial transaction card offenses -- Classification -- Multiple**
144 **violations.**

145 (1) Any person found guilty of unlawful conduct described in Section 76-6-506.2[;
146 ~~76-6-506.4;~~] or 76-6-506.6 [~~shall be punished for~~] is guilty of:

147 (a) a class B misdemeanor when the value of the property, money, or thing obtained or
148 sought to be obtained is less than \$300;

149 (b) a class A misdemeanor when the value of the property, money, or thing obtained or
150 sought to be obtained is or exceeds \$300 but is less than \$1,000;

151 (c) a third degree felony when the value of the property, money, or thing obtained or
152 [~~sought~~] attempted to be obtained is or exceeds \$1,000 but is less than \$5,000; and

153 (d) a second degree felony when the value of the property, money, or thing obtained or
154 [~~sought~~] attempted to be obtained is or exceeds \$5,000.

155 (2) Multiple violations of Subsection 76-6-506.2(1), [~~Sections 76-6-506.4, and~~
156 Section 76-6-506.6, and this section] may be aggregated into a single offense, and the degree of
157 the offense is determined by the total value of all property, money, or things obtained or
158 [~~sought~~] attempted to be obtained through the multiple violations.

159 (3) The court shall make appropriate findings in any prosecution under this section
160 that the card holder did not commit the crime [~~if~~].

161 [~~(a) another person uses the financial transaction card without the card holder's~~
162 ~~consent; and]~~

163 [~~(b) that person commits a crime in addition to a financial transaction card offense~~
164 ~~with the card holder's financial transaction card.]~~

165 Section 5. **Repealer.**

166 This bill repeals:

167 Section **76-6-506.1, Financial transaction card offenses -- Falsely making, coding,**
168 **or signing card -- Falsely signing evidence of card transaction.**

169 Section **76-6-506.4, Financial transaction card offenses -- Property obtained by**

170 **unlawful conduct.**