



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 16, 2002

Ordinance 14545

Proposed No. 2002-0519.2

Sponsors Hague

1 AN ORDINANCE relating to the privacy of credit card,
2 debit card or check card account numbers; amending
3 Ordinance 13923, Section 3, and K.C.C. 4.100.010 and
4 adding a new section to K.C.C. chapter 4.100.

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BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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SECTION 1. Purpose. This ordinance sets forth the privacy standards if credit card, debit card or check card numbers are obtained by the county when a customer pays for county goods or services with a credit card, debit card or check card. RCW 42.17.310(1)(ss) exempts certain credit card, debit card and electronic check information from public disclosure. With theft of personally identifiable information, including credit card, debit card and check card information on the rise, the county recognizes the need to protect credit card, debit card and check card account numbers from unauthorized, fraudulent or criminal access.

SECTION 2. Ordinance 13923, Section 3, and K.C.C. 4.100.010 are each hereby amended to read as follows:

18 **Definitions.** The definitions in this section apply throughout this chapter unless
19 the context clearly requires otherwise.

20 A. "Agency" means any department, office or agency managed by an elected
21 official of any branch of King County government.

22 B. "Authorized personnel" means county staff assigned to process credit card,
23 debit card or check card transactions.

24 C. "Automated clearing house" means an association of depository institutions
25 that process financial transactions electronically through the Federal Reserve Bank.

26 D. "Check card" means a card indicating that the holder named on the card has an
27 open checking account in a financial institution shown on the card and that the holder
28 named on the card is authorized to use the card in lieu of a paper check to pay for the
29 purchase of goods or services from participating merchants so long as the account is valid
30 and has adequate funds to cover the cost of either goods or services at the time of the
31 transaction.

32 ~~((B-))~~ E. "Convenience fee" means a fee that is charged to a credit card, check
33 card or debit card holder ((payer)) for the convenience of making a payment through an
34 interactive voice response system or through the Internet.

35 F. "Counter" means the county facility where the customer is physically present
36 when completing the purchase of county goods or services with a credit card, debit card
37 or check card.

38 ~~((C-))~~ G. "Credit card" means a card indicating that the holder named on the card
39 has obtained a revolving line of credit from the financial institution issuing the card up to
40 a certain dollar amount valid to a specified date shown on the card. A credit card may be

41 used to pay for ~~((products or))~~ goods and services ~~((, or both))~~ from merchants
42 participating in the corresponding credit card program.

43 H. "Customer" means the person who is purchasing county goods or services
44 with a credit card, debit card or check card.

45 ~~((D:))~~ I. "Debit card" means a card indicating that the holder named on the card
46 has an open account in a financial institution shown on the card and that the holder
47 named on the card is authorized to pay for purchases of goods and services from
48 participating merchants ~~((and organizations if))~~ so long as the account is ~~((still))~~ valid and
49 has adequate funds to cover the cost of either goods or services, or both, at the time of the
50 transaction.

51 ~~((E:))~~ J. "Electronic payments" means any financial transaction by which funds
52 are transferred to the county through any type of electronic media. The electronic media
53 include, but are not limited to, automated clearing houses, credit cards, debit cards, check
54 cards, smart cards and wire transfers.

55 K. "Immediately after" means upon completion of the credit card, debit card or
56 check card transaction.

57 ~~((F:))~~ L. "Interactive voice response system" means a system that allows users to
58 pay for services over the telephone or other audio-signal carrier using a credit card, debit
59 card or check card.

60 M. "Merchant copy" means the portion of the physical credit card, debit card or
61 check card transaction receipt that is signed by the holder and retained by the county after
62 completion of the credit card, debit card or check card transaction.

63 ~~((G.))~~ N. "Nontax payment" means a payment made for the main purpose of
64 purchasing either goods or services, or both. The transaction may require collection of an
65 excise tax related to the purchase of either goods or services, or both.

66 ~~((H.))~~ O. "Smart card" means a card, issued by a participating merchant or
67 organization, that has an electronic chip with a specified amount stored ~~((electronically))~~
68 on the card to be spent for future transactions. ~~((The usable balance remaining on the~~
69 ~~card decreases with each purchase of goods or usage of the service.))~~

70 ~~((I.))~~ P. "Tax payment" means a payment made for the purpose of fulfilling tax
71 obligations ~~((and))~~ or other special assessments that may be included on the tax
72 statement.

73 ~~((J.))~~ Q. "Transaction fee" means a fee charged by a service provider for the
74 execution of an electronic payment.

75 ~~((K.))~~ R. "Wire transfer" means a financial transaction in which the transferor of
76 the funds authorizes an immediate transfer of funds from ~~((his or her))~~ a bank account to
77 another specified bank account.

78 NEW SECTION. SECTION 3. There is hereby added to K.C.C. chapter 4.100 a
79 new section to read as follows:

80 **Credit card, debit card or check card number privacy policy.**

81 A. Electronic commerce systems, either Internet or interactive voice response,
82 shall not store credit card, debit card or check card numbers in a database or create a
83 database where the numbers are retrievable by any county employee or county systems
84 except as specifically authorized under subsection E of this section.

85 B. For credit card, debit card or check card transactions completed at a counter,
86 county staff:

87 1. Shall not enter credit card, debit card or check card numbers into a database
88 or create a database where the credit card, debit card or check card numbers are
89 retrievable by any county employee or other county systems except as specifically
90 authorized under subsection E of this section;

91 2. Shall give the holder's copy of the credit card, debit card or check card receipt
92 to the customer; and

93 3. Shall store the merchant copy of the credit card, debit card or check card
94 receipt for at least three years in a secure location immediately after the transaction is
95 completed, and this location shall be accessible to authorized personnel only.

96 C. For mail-order and telephone order credit card, debit card or check card
97 transactions, county staff:

98 1. Shall not enter credit card, debit card or check card numbers into a database
99 or create a database where the credit card, debit card or check card numbers are
100 retrievable by any county employee or other county systems except as specifically
101 authorized pursuant to subsection E of this section;

102 2. Shall store the merchant copy of the credit card, debit card or electronic
103 check receipt for at least three years in a secure location immediately after the transaction
104 is completed, and this location shall be accessible to authorized personnel only;

105 3. Shall either mail the credit card, debit card or check card holder the
106 customer's copy of the credit card, debit card or check card receipt or store it with the
107 merchant copy, in accordance with agency policy;

108 4. Mail order and telephone order forms containing credit card, debit card or
109 check card numbers must be either destroyed or stored with the merchant copy of the
110 credit card, debit card or check card receipt in accordance with agency policy.

111 D. Agencies with existing systems that store credit card, debit card or check card
112 numbers in locations retrievable by any county employee or other county systems as of
113 the effective date of this ordinance must provide written notification to the executive and
114 council chair with a plan to comply with this section by March 31, 2003. These agencies
115 shall provide written notification to the executive and the council chair upon compliance
116 with this section by December 31, 2003.

117 E. An agency must obtain written authorization from the executive and provide
118 written notification to the council chair for the use of systems that collect credit card,

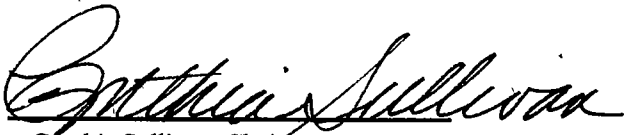
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119 debit card or check card numbers in any location where credit card, debit card or check
120 card numbers are retrievable by any county employee or other county systems.
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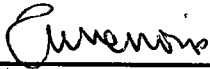
Ordinance 14545 was introduced on 10/21/2002 and passed by the Metropolitan King
County Council on 12/16/2002, by the following vote:

Yes: 13 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.
Phillips, Mr. Pelz, Mr. McKenna, Mr. Constantine, Mr. Pullen, Mr. Gossett,
Ms. Hague, Mr. Irons and Ms. Patterson
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

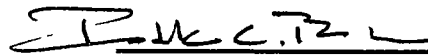

Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 27 day of December, 2002.


Ron Sims, County Executive

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KING COUNTY COUNCIL

Attachments None