

Chapter 749

S.B. No. 1381

AN ACT

relating to photo identification for certain debit or credit card transactions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 11, Business & Commerce Code, is amended by adding Chapter 508 to read as follows:

CHAPTER 508. REQUIRING VERIFICATION OF IDENTITY FOR CERTAIN CARD TRANSACTIONS

Sec. 508.001. DEFINITIONS. In this chapter:

(1) "Cardholder" means the person named on the face of a credit card or debit card to whom or for whose benefit the credit card or debit card is issued.

(2) "Credit card" means a card or device issued under an agreement by which the issuer gives to a cardholder the right to obtain credit from the issuer or another person.

(3) "Debit card" means a card, device, or other means of access to an individual's account at a financial institution that the individual may use to initiate electronic fund transfers.

(4) "Merchant" means a person in the business of selling goods or services.

(5) "Mobile wallet" means a device that uses an encrypted digital token to authenticate a cardholder's identity and account information.

(6) "Photo identification" means a card or other

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1 document that:

2 (A) is issued by a governmental entity to
3 identify an individual; and

4 (B) displays a photograph of the individual
5 identified on the card or other document.

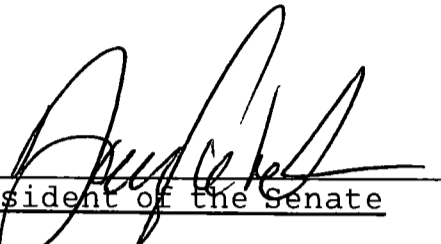
6 Sec. 508.002. REQUIRING PHOTO IDENTIFICATION FOR CREDIT OR
7 DEBIT CARD TRANSACTION. (a) A merchant, in a point of sale
8 transaction, may require the individual using the credit card or
9 debit card to provide photo identification verifying the
10 individual's identity as the cardholder.

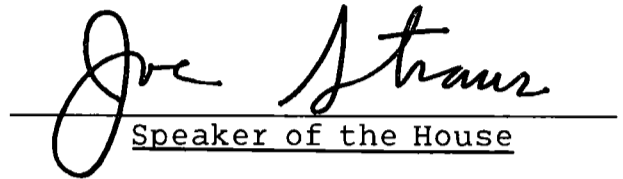
11 (b) A merchant may choose to not accept the card for payment
12 if the individual fails to provide photo identification verifying
13 the individual's identity as the cardholder.

14 (c) This section does not apply to transactions conducted
15 with a mobile wallet.

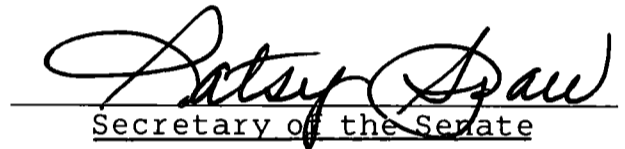
16 Sec. 508.003. EXPIRATION. This chapter expires September
17 1, 2023.

18 SECTION 2. This Act takes effect January 1, 2018.


President of the Senate


Speaker of the House

I hereby certify that S.B. No. 1381 passed the Senate on April 19, 2017, by the following vote: Yeas 30, Nays 1; and that the Senate concurred in House amendment on May 26, 2017, by the following vote: Yeas 30, Nays 1. _____


Secretary of the Senate

I hereby certify that S.B. No. 1381 passed the House, with amendment, on May 19, 2017, by the following vote: Yeas 144, Nays 0, two present not voting. _____

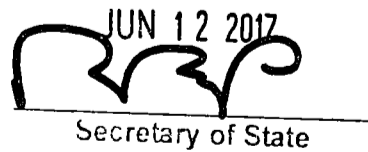

Chief Clerk of the House

Approved:

6 - 9 - 2017
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30 PM O'CLOCK

JUN 12 2017

Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 8, 2017

TO: Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1381 by Hughes (Relating to photo identification for certain debit or credit card transactions.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 466 Office of Consumer Credit Commissioner

LBB Staff: UP, CL, EH, EK

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 1, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1381 by Hughes (Relating to photo identification for certain debit or credit card transactions.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 466 Office of Consumer Credit Commissioner

LBB Staff: UP, CL, EH, EK