

BILL ANALYSIS

Senate Research Center
78R701 CLG-D

S.B. 235
By: Fraser
Business & Commerce
2/26/2003
As Filed

DIGEST AND PURPOSE

Currently, there is no Texas law that addresses protection of credit card numbers through the regulation of credit card receipts. Stealing a credit card number is the easiest way to commit identity fraud, an issue that affects more than 600,000 people annually and accounted for 42 percent of all Federal Trade Commission consumer fraud complaints in 2001. As proposed, S.B. 235 requires that a receipt or other document issued from a credit card transaction include not more than the last five digits of the credit card account number. S.B. 235 also prohibits expiration dates from being printed on a receipt or other document issued from a credit card transaction. These restrictions are aimed at thwarting identity theft.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 35D, Business & Commerce Code, by adding Section 35.57, as follows:

Sec. 35.57. BUSINESS RECEIPT CONTAINING CREDIT CARD INFORMATION.

(a) Provides that this section does not apply to a transaction where the sole means of recording a credit card account number on a receipt or document evidencing the transaction is by handwriting or by an imprint or copy of the credit card.

(b) Prohibits a person accepting a credit card for the transaction of business from printing more than the last five digits of the credit account number or the month and year of the card's expiration date on any document that evidences the transaction and that is provided to a cardholder.

SECTION 2. (a) Effective date: September 1, 2003.

(b) Provides that the application of this Act to any cash register or machine placed in operation after August 31, 2003, will apply only to receipts or documents printed after August 31, 2004.

(c) Provides that with respect to a cash register or machine placed in operation before September 1, 2003, this Act applies only to receipts or documents printed after December 31, 2007.