

BILL ANALYSIS

C.S.H.B. 3095
By: West, George "Buddy"
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current Texas law prohibits any entity from electronically reading of an individual's drivers' license identification information contained in the magnetic stripe except for law enforcement, peace officers, Texas Parks and Wildlife deputies and financial institutions.

The Federal Trade Commission reports have indicated that Texas has the second largest number of identity theft complaints filed with the agency. Oftentimes commercial business and check verification services are the first lines of defense against consumers attempting to pass fraudulent checks or avoid monetary losses from accepting checks from persons who have other dishonored checks on file with the business.

With the advent of technology and ease of creating false drivers' licenses, consumers and businesses are more readily becoming victims to the crippling consequences of identity theft and theft by check.

CSHB 3095 will allow commercial businesses to electronically read the magnetic stripe of consumers' drivers' license at the point of sale when goods or services are purchased by check. The purpose for this change in law is to:

1. Enable businesses to protect themselves against monetary losses that could otherwise be incurred when accepting fraudulent or forged checks issued with false drivers' license or personal identification card.
2. Allow businesses to minimize monetary losses through the acceptance of a check from consumers who have other outstanding dishonored checks with this or other businesses serviced by a check verification system. This prevention of theft by check mechanism also assists in reducing the number of cases submitted for prosecution for violations of the Penal Code.

In an effort to protect our school children in Texas from being taken advantage of by potential sex offenders, CSHB 3095 will allow security personnel and peace officers who are employed by a school district to electronically read the magnetic stripe of a drivers' license of any adult who visits a public school against a national database of sex offenders to ensure that the person is not a sex offender.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Section 521.126 (e), Transportation Code, amends Subsection (e):

(e) This will allow businesses to verify a customer's identification by swiping the magnetic stripe on the drivers' license at the point of sale for an individual who purchases goods and services with a check.

(e-1) This will allow security personnel or peace officers who are employed by a public school district to swipe the magnetic stripe of the drivers' license of any adult who visits a public school against a national database of sex offenders.

SECTION 2. EFFECTIVE DATE

This Act takes effect September 1, 2005.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

SECTION 521.126 (e-1), TRANSPORTATION CODE

CSHB 3095 amends Section 521.126 (e) of the Transportation Code by adding (e-1) to allow security personnel or peace officers who are employed by a public school district to swipe the magnetic stripe of the drivers' license of any adult who visits a public school against a national database of sex offenders for the purpose of determining whether or not the individual is a sex offender.