

BILL ANALYSIS

H.B. 320
By: West, George "Buddy"
Law Enforcement
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law prohibits a place of business from verifying electronically readable information from an individual's driver's license or personal identification card when a person pays by check.

Consumer complaints of identity theft continue to be a major concern of federal and state regulatory agencies. Business and check verification services are often the first line of defense against individuals attempting to pass fraudulent checks or against monetary losses resulting from accepting checks from persons who have other dishonored checks on file with the business.

H.B. 320, as proposed, would allow a business to electronically check an individual's identification in order to help deter return checks to places of business; reduce instances of theft by check and check fraud using a false identity, and aid retailers with a more accurate mechanism to determine a minor from an adult when purchasing tobacco or other age restricted products and services. Businesses would still be prohibited from compiling or maintaining a database of this information.

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

H.B. 320 amends Section 521 of the Transportation Code to allow a business to read the electronically readable information from a driver's license, commercial driver's license, or personal identification certificate only for the purpose of verifying an individual's identity or check verification at the point of sale for a purchase of a good or service by check.

EFFECTIVE DATE

September 1, 2007