

By: Howard of Fort Bend

H.B. No. 3093

A BILL TO BE ENTITLED

1 AN ACT

2 relating to verification of a customer's zip code in a credit card
3 transaction.

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

5 SECTION 1. Subchapter D, Chapter 35, Business & Commerce
6 Code, is amended by adding Section 35.64 to read as follows:

7 Sec. 35.64. ZIP CODE VERIFICATION IN CREDIT CARD
8 TRANSACTION. (a) In this section:

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

12 (2) "Credit card issuer" means a lender, including a
13 financial institution, or a merchant that receives applications and
14 issues credit cards to individuals.

15 (b) A business may require a customer who purchases a good
16 or service from the business using a credit card to provide the
17 customer's zip code to verify the customer's identity as provided by
18 Subsection (c).

19 (c) A business that obtains a customer's zip code under
20 Subsection (b) may electronically verify with the credit card
21 issuer that the zip code matches any zip code that the credit card
22 issuer has on file for the credit card.

23 (d) A business that obtains a customer's zip code under
24 Subsection (b) may not retain the zip code in any form after the

1 purchase of the good or service has been completed.

2 SECTION 2. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2007.