

AN ACT

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

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

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

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

(1) "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.

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

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

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

(d) A business that obtains a customer's zip code under 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.

President of the Senate

Speaker of the House

I certify that H.B. No. 3093 was passed by the House on May 10, 2007, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3093 was passed by the Senate on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor