

1-1 By: Howard of Fort Bend (Senate Sponsor - Janek) H.B. No. 3093
1-2 (In the Senate - Received from the House May 11, 2007;
1-3 May 15, 2007, read first time and referred to Committee on Business
1-4 and Commerce; May 17, 2007, reported favorably by the following
1-5 vote: Yeas 6, Nays 0; May 17, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to verification of a customer's zip code in a credit card
1-9 transaction.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter D, Chapter 35, Business & Commerce
1-12 Code, is amended by adding Section 35.64 to read as follows:

1-13 Sec. 35.64. ZIP CODE VERIFICATION IN CREDIT CARD
1-14 TRANSACTION. (a) In this section:

1-15 (1) "Credit card" means a card or device issued under
1-16 an agreement by which the issuer gives to a cardholder the right to
1-17 obtain credit from the issuer or another person.

1-18 (2) "Credit card issuer" means a lender, including a
1-19 financial institution, or a merchant that receives applications and
1-20 issues credit cards to individuals.

1-21 (b) A business may require a customer who purchases a good
1-22 or service from the business using a credit card to provide the
1-23 customer's zip code to verify the customer's identity as provided by
1-24 Subsection (c).

1-25 (c) A business that obtains a customer's zip code under
1-26 Subsection (b) may electronically verify with the credit card
1-27 issuer that the zip code matches any zip code that the credit card
1-28 issuer has on file for the credit card.

1-29 (d) A business that obtains a customer's zip code under
1-30 Subsection (b) may not retain the zip code in any form after the
1-31 purchase of the good or service has been completed.

1-32 SECTION 2. This Act takes effect immediately if it receives
1-33 a vote of two-thirds of all the members elected to each house, as
1-34 provided by Section 39, Article III, Texas Constitution. If this
1-35 Act does not receive the vote necessary for immediate effect, this
1-36 Act takes effect September 1, 2007.

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