

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Deshotel

H.B. No. 346

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the electronic storage of personal identification  
3 information obtained from driver's licenses or personal  
4 identification certificates.

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

6 SECTION 1. Section 521.126, Transportation Code, is amended  
7 by amending Subsection (e) and adding Subsection (1) to read as  
8 follows:

9 (e) The prohibition provided by Subsection (b) [~~(b)(1)~~]  
10 does not apply to a financial institution or a business that  
11 accesses or uses electronically readable information or compiles or  
12 maintains a database of that information if:

13 (1) the information is accessed and used [only] for  
14 purposes of identification verification of an individual or check  
15 verification at the point of sale for a purchase of a good or  
16 service by check;

17 (2) the information is accessed and used as part of a  
18 transaction initiated by the license or certificate holder to  
19 provide information to a check services company or fraud prevention  
20 services company governed by the Fair Credit Reporting Act (15  
21 U.S.C. Section 1681 et seq.) for the purpose of effecting,  
22 administering, or enforcing the transaction; or

23 (3) in the case of [The prohibition provided by  
24 Subsection (b)(2) does not apply to] a financial institution, [if]

1 each license or certificate holder whose information is included in  
2 the compilation or database consents to the inclusion of the  
3 person's information in the compilation or database [~~Consent~~  
4 ~~under this subsection must be~~] on a separate document, signed by the  
5 license or certificate holder, that explains in at least 14-point  
6 bold type the information that will be included in the compilation  
7 or database. [~~For the purposes of this subsection, "financial~~  
8 ~~institution" has the meaning assigned by 31 U.S.C. Section~~  
9 ~~5312(a)(2), as amended.~~]

10 (1) For the purposes of this section, "financial  
11 institution" has the meaning assigned by 31 U.S.C. Section  
12 5312(a)(2).

13 SECTION 2. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2013.

**ADOPTED**

MAY 21 2013

*Atty. Gen.*  
Secretary of the Senate

By: Carona

H..B. No. 346

Substitute the following for H..B. No. 346 :

By: Carona

C.S. H..B. No. 346

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the accessing and use of electronically readable  
3 personal identification information obtained from driver's  
4 licenses or personal identification certificates.

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

6 SECTION 1. Section 521.126, Transportation Code, is amended  
7 by amending Subsections (b) and (e) and adding Subsection (l) to  
8 read as follows:

9 (b) Except as provided by Subsections (d), (e), (g), (i),  
10 and (j), and Section 501.101, Business & Commerce Code, a person  
11 commits an offense if the person:

12 (1) accesses or uses electronically readable  
13 information derived from a driver's license, commercial driver's  
14 license, or personal identification certificate; or

15 (2) compiles or maintains a database of electronically  
16 readable information derived from driver's licenses, commercial  
17 driver's licenses, or personal identification certificates.

18 (e) The prohibition provided by Subsection (b) [~~(b)(1)~~]  
19 does not apply to a financial institution or a business that:

20 (1) accesses or uses electronically readable  
21 information [~~if the information is accessed and used only~~] for  
22 purposes of identification verification of an individual or check  
23 verification at the point of sale for a purchase of a good or  
24 service by check;

1           (2) accesses or uses electronically readable  
2 information as part of a transaction initiated by the license or  
3 certificate holder to provide information to a check services  
4 company or fraud prevention services company governed by the Fair  
5 Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for the  
6 purpose of effecting, administering, or enforcing the transaction;

7           (3) is a check services company or a fraud prevention  
8 services company governed by the Fair Credit Reporting Act (15  
9 U.S.C. Section 1681 et seq.) that accesses or uses electronically  
10 readable information or compiles or maintains a database of that  
11 information for the purpose of effecting, administering, or  
12 enforcing the transaction; or

13           (4) is [~~— The prohibition provided by Subsection~~  
14 ~~(b)(2) does not apply to]~~ a financial institution that compiles or  
15 maintains a database of electronically readable information, if  
16 each license or certificate holder whose information is included in  
17 the compilation or database consents to the inclusion of the  
18 person's information in the compilation or database~~[~~— Consent~~~~  
19 ~~under this subsection must be]~~ on a separate document, signed by the  
20 license or certificate holder, that explains in at least 14-point  
21 bold type the information that will be included in the compilation  
22 or database.

23           (1) For the purposes of this section [~~subsection~~],  
24 "financial institution" has the meaning assigned by 31 U.S.C.  
25 Section 5312(a)(2) [~~as amended~~].

26           SECTION 2. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2013.

# ADOPTED

FLOOR AMENDMENT NO. 1

MAY 21 2013

BY:

*Carman*

*Atay Shaw*  
Secretary of the Senate

1 Amend C.S.H.B. No. 346 (senate committee printing) in  
2 SECTION 1 of the bill as follows:

3 (1) In the recital (page 1, line 26), between "(b)" and  
4 "and (e)" insert ", (c),".

5 (2) In the recital (page 1, line 26), strike "Subsection  
6 (1)" and substitute "Subsections (e-1) and (1)".

7 (3) In amended Section 521.126(b), Transportation Code  
8 (page 1, line 28), between "(e)," and "(g)," insert "(e-1),".

9 (4) In amended Section 521.126(e), Transportation Code  
10 (page 1, line 37), strike "(b) [~~(b)(1)~~]" and substitute  
11 "(b)(1)".

12 (5) In amended Section 521.126(e)(1), Transportation Code  
13 (page 1, line 43), after the underlined semicolon, insert "or".

14 (6) Strike amended Section 521.126(e)(2), Transportation  
15 Code (page 1, lines 44-49), and substitute the following:

16 (2) accesses or uses as electronically readable  
17 information a driver's license number or a name printed on a  
18 driver's license as part of a transaction initiated by the  
19 license or certificate holder to provide information encrypted  
20 in a manner:

21 (A) consistent with PCI DSS Standard 3.4 to a  
22 check services company or fraud prevention services company  
23 governed by the Fair Credit Reporting Act (15 U.S.C. Section  
24 1681 et seq.) for the purpose of effecting, administering, or  
25 enforcing the transaction; and

26 (B) that does not involve the sale, transfer, or  
27 other dissemination of a name or driver's license number to a  
28 third party for any purpose, including any marketing,  
29 advertising, or promotional activities.

1 (7) Strike amended Section 521.126(e)(3), Transportation  
2 Code (page 1, lines 50-55), and substitute the following:

3 (e-1) The prohibition provided by Subsection (b) does not  
4 apply to:

5 (1) a check services company or a fraud prevention  
6 services company governed by the Fair Credit Reporting Act (15  
7 U.S.C. Section 1681 et seq.) that, for the purpose of preventing  
8 fraud when effecting, administering, or enforcing the  
9 transaction:

10 (A) accesses or uses as electronically readable  
11 information a driver's license number or a name printed on a  
12 driver's license; or

13 (B) compiles or maintains a database of  
14 electronically readable driver's license numbers or names  
15 printed on driver's licenses and periodically removes the  
16 numbers or names from the database that are at least four years  
17 old; or

18 (8) In amended Section 521.126(e)(4), Transportation Code  
19 (page 1, line 56), strike "(4) is" and substitute "(2)".

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 22, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB346** by Deshotel (Relating to the accessing and use of electronically readable personal identification information obtained from driver's licenses or personal identification certificates.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to expand the permitted instances in which electronically readable information derived from driver's licenses or personal identification certificates may be accessed or used by certain financial institutions. It is assumed the costs of implementing the provisions of the bill could be absorbed within current appropriations. The bill would take effect immediately upon a two-thirds vote of all the members of each chamber; otherwise, the bill would take effect September 1, 2013.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** UP, RB, JAW, AI, ESi, GG



**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 14, 2013**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB346** by Deshotel (Relating to the accessing and use of electronically readable personal identification information obtained from driver's licenses or personal identification certificates.), **Committee Report 2nd House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Transportation Code to expand the permitted instances in which electronically readable information derived from driver's licenses or personal identification certificates may be accessed or used by certain financial institutions. It is assumed the costs of implementing the provisions of the bill could be absorbed within current appropriations. The bill would take effect immediately upon a two-thirds vote of all the members of each chamber; otherwise, the bill would take effect September 1, 2013.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** UP, RB, AI, JAW, ESi, GG

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 9, 2013**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB346** by Deshotel (Relating to the electronic storage of personal identification information obtained from driver's licenses or personal identification certificates.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to expand the permitted instances in which electronic information derived from driver's licenses or personal identification certificates may be accessed or used by certain financial institutions. It is assumed the costs of implementing the provisions of the bill could be absorbed within current appropriations. The bill would take effect immediately upon a two-thirds vote of all the members of each chamber; otherwise, the bill would take effect September 1, 2013.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** UP, RB, AI, JAW, ESj, GG

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**March 22, 2013**

**TO:** Honorable Gary Elkins, Chair, House Committee on Technology

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB346** by Deshotel (Relating to the electronic storage of personal identification information obtained from driver's licenses or personal identification certificates.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to expand the permitted instances in which electronic information derived from driver's licenses or personal identification certificates may be accessed or used by certain financial institutions. It is assumed the costs of implementing the provisions of the bill could be absorbed within current appropriations. The bill would take effect immediately upon a two-thirds vote of all the members of each chamber; otherwise, the bill would take effect September 1, 2013.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** UP, RB, AI, JAW, ESi, GG