

House Bill 346
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

SENATE VERSION (IE)

SECTION 1. Section 521.126, Transportation Code, is amended by amending Subsections (b), (c), and (e) and adding Subsections (e-1) and (1) to read as follows: [FA1(1)-(2)]

(b) Except as provided by Subsections (d), (e), ~~(e-1), (g), (i), and (j), and Section 501.101, Business & Commerce Code,~~ a person commits an offense if the person: [FA1(3)]

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

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

(e) The prohibition provided by Subsection (b)(1) does not apply to a financial institution or a business that: [FA1(4)]

(1) accesses or uses electronically readable information ~~[if the information is accessed and used only]~~ for purposes of identification verification of an individual or check verification at the point of sale for a purchase of a good or service by check; or [FA1(5)]

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

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

(B) that does not involve the sale, transfer, or other dissemination of a name or driver's license number to a third

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(3) in the case of [~~The prohibition provided by Subsection (b)(2) does not apply to~~] a financial institution, if each license or certificate holder whose information is included in the compilation or database consents to the inclusion of the person's information in the compilation or database [~~Consent under this subsection must be~~] on a separate document, signed by the license or certificate holder, that explains in at least 14-point bold type the information that will be included in the compilation or database. For the purposes of this subsection, "financial institution" has the meaning assigned by 31 U.S.C. Section 5312(a)(2), as amended.

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

party for any purpose, including any marketing, advertising, or promotional activities. [FA1(6)]

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

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

(A) access or uses as electronically readable information a driver's license number or a name printed on a driver's license;

or

(B) compiles or maintains a database of electronically readable driver's license numbers or names printed on driver's license and periodically removes the numbers of names from the database that are at least four years old; or [FA1(7)]

(2) [~~The prohibition provided by Subsection (b)(2) does not apply to~~] a financial institution that compiles or maintains a database of electronically readable information, if each license or certificate holder whose information is included in the compilation or database consents to the inclusion of the person's information in the compilation or database [~~Consent under this subsection must be~~] on a separate document, signed by the license or certificate holder, that explains in at least 14-point bold type the information that will be included in the compilation or database. [FA1(8)]

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

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

SENATE VERSION (IE)

SECTION 2. Same as House version.

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