

By: Menéndez

H.B. No. 146

A BILL TO BE ENTITLED

AN ACT

relating to requiring photo identification for certain credit card purchases.

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

SECTION 1. Subtitle A, Title 11, Business & Commerce Code, is amended by adding Chapter 506 to read as follows:

CHAPTER 506. REQUIRING VERIFICATION OF IDENTITY FOR CERTAIN CREDIT CARD PURCHASES

Sec. 506.001. DEFINITIONS. In this chapter:

(1) "Cardholder" means the person named on the face of a credit card to whom or for whose benefit the card is issued.

(2) "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.

(3) "Merchant" means a person in the business of selling goods or services.

(4) "Photo identification" means a card or other document that:

(A) is issued by a governmental entity to identify an individual; and

(B) displays a photograph of the individual identified on the card or other document.

Sec. 506.002. REQUIRING PHOTO IDENTIFICATION FOR CERTAIN CREDIT CARD TRANSACTIONS. (a) A merchant may not accept a credit

1 card for payment in a face-to-face transaction unless the merchant
2 requires the individual presenting the credit card to provide photo
3 identification verifying the individual's identity as the
4 cardholder if the transaction is for:

5 (1) the purchase of goods or services in an amount of
6 more than \$200; or

7 (2) the purchase of a stored value card as defined by
8 Section 604.001.

9 (b) Subsection (a) does not apply if the merchant requires
10 the individual presenting the credit card for payment to:

11 (1) electronically enter the individual's zip code to
12 verify the individual's identity as authorized by Section 505.002;
13 or

14 (2) electronically enter the personal identification
15 number (PIN) associated with the credit card.

16 SECTION 2. This Act takes effect January 1, 2016.