

By: Longoria

H.B. No. 3522

A BILL TO BE ENTITLED

AN ACT

relating to photo identification requirements for certain stored value card purchases.

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

SECTION 1. Chapter 604, Business & Commerce Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. REQUIRING VERIFICATION OF IDENTITY FOR CARD PURCHASES

Sec. 604.151. DEFINITIONS. In this subchapter:

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

(2) "Card" means a credit card or debit card.

(3) "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.

(4) "Debit card" means a card or device or other means of access to an individual's account that may be used by the individual to initiate electronic fund transfers.

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

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

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

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

3 Sec. 604.152. APPLICABILITY TO POINT OF SALE TRANSACTIONS.
4 Notwithstanding Section 604.002, this subchapter applies to any
5 point of sale transaction in which an individual seeks to pay a
6 merchant for the purchase of or adding value to any stored value
7 card.

8 Sec. 604.153. REQUIRING PHOTO IDENTIFICATION FOR CARD
9 TRANSACTION. (a) A merchant may not accept a card for payment in a
10 point of sale transaction for the purchase of or adding value to a
11 stored value card unless the merchant requires the individual who
12 uses the card to provide photo identification verifying the
13 individual's identity as the cardholder.

14 (b) Subsection (a) does not apply if the merchant requires
15 the individual presenting the credit card for payment to provide
16 the individual's zip code to verify the individual's identity as
17 authorized by Section 505.002 or as to any card transaction,
18 electronically enter the personal identification number (PIN)
19 associated with the card.

20 Sec. 604.154. LIABILITY FOR FAILURE TO OBTAIN
21 IDENTIFICATION. In the event the merchant fails to obtain photo
22 identification or a PIN for a card transaction or the individual's
23 zip code for a credit card transaction and the stored value
24 transaction was not authorized by the cardholder, then the merchant
25 shall be liable to the cardholder or the card issuing financial
26 institution for all losses that may be attributed to such failure.

27 SECTION 2. This Act takes effect September 1, 2015.