

By: Longoria

H.B. No. 411

A BILL TO BE ENTITLED

AN ACT

relating to requiring photo identification for certain purchases paid with a credit card or debit card.

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 508 to read as follows:

CHAPTER 508. REQUIRING VERIFICATION OF IDENTITY FOR CERTAIN PURCHASES PAID WITH CREDIT CARD OR DEBIT CARD

Sec. 508.001. DEFINITIONS. In this chapter:

(1) "Cardholder" means the person named on the face of a credit card or debit card to whom or for whose benefit the credit card or debit 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) "Debit card" means a card, device, or other means of access to an individual's account at a financial institution that the individual may use to initiate electronic fund transfers.

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

(5) "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. 508.002. REQUIRING PHOTO IDENTIFICATION FOR CERTAIN
4 CREDIT OR DEBIT CARD TRANSACTIONS. (a) A merchant may not accept a
5 credit card or debit card for payment in a face-to-face transaction
6 unless the merchant requires the individual presenting the credit
7 card or debit card to provide photo identification verifying the
8 individual's identity as the cardholder if the transaction is for:

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

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

13 (b) Subsection (a) does not apply if the merchant requires:

14 (1) the individual presenting the credit card for
15 payment to electronically enter the individual's zip code to verify
16 the individual's identity as authorized by Section 505.002; or

17 (2) the individual presenting the credit card or debit
18 card for payment to electronically enter the personal
19 identification number (PIN) associated with the card.

20 Sec. 508.003. LIABILITY FOR FAILURE TO OBTAIN
21 IDENTIFICATION. A merchant who violates Section 508.002 in
22 connection with a transaction described by that section that is not
23 authorized by the cardholder is liable to the cardholder or the
24 financial institution that issued the credit card or debit card for
25 all losses attributable to the violation.

26 SECTION 2. This Act takes effect January 1, 2018.