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| BILL ANALYSIS |

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| H.B. 2400 |
| By: Lambert |
| Pensions, Investments & Financial Services |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE** Texas bankers have expressed concerned with the impending expiration of Chapter 508, Business & Commerce Code, which provides merchants with the ability to require photo identification at the point of sale to verify the identity of an individual using a credit card or debit card and to decline a transaction if the individual fails to provide the requisite identification. Requiring a photo identification to verify a purchaser's identity reduces fraudulent purchases and gives merchants an additional tool to prevent unnecessary losses while also protecting legitimate cardholders and the issuing financial institutions. H.B. 2400 continues a merchant's authority to require photo identification and decline a transaction involving the use of a credit card or debit card by repealing the provision providing for the expiration of Chapter 508. |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS** H.B. 2400 repeals Section 508.003, Business & Commerce Code, which provides for the expiration on September 1, 2023, of statutory provisions authorizing a merchant to:* require an individual using a credit card or debit card to provide photo identification that verifies the individual's identity as the cardholder; and
* choose not to accept the card for payment if the individual fails to provide the photo identification.
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| **EFFECTIVE DATE** On passage, or, if the bill does not receive the necessary vote, the 91st day after the last day of the legislative session. |