

BILL ANALYSIS

H.B. 2400
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Pensions, Investments & Financial Services
Committee Report (Unamended)

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.

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.