

By: Longoria

H.B. No. 3526

A BILL TO BE ENTITLED

AN ACT

relating to requiring photo identification for certain 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 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) "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 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. 506.002. REQUIRING PHOTO IDENTIFICATION FOR CERTAIN
4 CARD TRANSACTIONS. (a) A merchant may not accept a card for payment
5 in a face-to-face transaction unless the merchant requires the
6 individual presenting the card to provide photo identification
7 verifying the individual's identity as the cardholder if the
8 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 the individual presenting the card for payment to:

15 (1) electronically enter the individual's zip code to
16 verify the individual's identity as authorized by Section 505.002;
17 or

18 (2) electronically enter the personal identification
19 number (PIN) associated with the card.

20 Sec. 506.003 LIABILITY FOR FAILURE TO OBTAIN
21 IDENTIFICATION. In the event the merchant fails to obtain photo
22 identification for a card transaction or the individual's zip code
23 for a credit card transaction and the stored value transaction was
24 not authorized by the cardholder, then the merchant shall be liable
25 to the cardholder or the card issuing financial institution for all
26 losses that may be attributed to such failure.

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