

By: Menéndez

S.B. No. 1778

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 CREDIT CARD PURCHASES

Sec. 604.151. DEFINITIONS. In this subchapter:

(1) "Cardholder" means the person named on the face of a credit card to whom or for whose benefit the credit 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) "Merchant" means a person in the business of selling or leasing goods or services.

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

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

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

Sec. 604.152. APPLICABILITY TO FACE-TO-FACE TRANSACTIONS.

1 Notwithstanding Section 604.002, this subchapter applies to any
2 face-to-face transaction in which an individual seeks to pay a
3 merchant for the purchase of or adding value to any stored value
4 card.

5 Sec. 604.153. REQUIRING PHOTO IDENTIFICATION FOR CREDIT
6 CARD TRANSACTION. (a) A merchant may not accept a credit card for
7 payment in a face-to-face transaction for the purchase of or adding
8 value to a stored value card unless the merchant requires the
9 individual presenting the credit card to provide photo
10 identification verifying the individual's identity as the
11 cardholder.

12 (b) Subsection (a) does not apply if the merchant requires
13 the individual presenting the credit card for payment to provide
14 the individual's zip code to verify the individual's identity as
15 authorized by Section 505.002.

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