

BILL ANALYSIS

Senate Research Center

H.B. 982
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, a person commits an offense if the person obtains, possesses, transfers, or uses identifying information of another person without the other person's consent and with intent to harm or defraud another, as stated in the Penal Code, Section 32.51(b).

Patrons of some restaurants and bars have fallen victim to illegal credit card skimming, whereby some restaurant or bar wait staff swipe patrons' credit cards into an electronic device and then sell the credit card numbers to individuals who transfer the stolen card information to create counterfeited cards.

Credit card skimming is illegal and carries a penalty of up to two years in jail. However, some wait staff may not be aware of the penalty.

H.B. 982 requires restaurants and bars to post a sign warning restaurant and bar employees against fraudulent use or possession of identifying information and provides that it is a misdemeanor offense for the restaurant or bar owner to fail to do so.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 35, Business & Commerce Code, by adding Section 35.60, as follows:

Sec. 35.60. WARNING SIGN ABOUT IDENTITY THEFT FOR RESTAURANT OR BAR EMPLOYEES. (a) Defines "credit card," and "debit card."

(b) Provides that this section only applies to a restaurant or bar that accepts credit or debit cards from customers in the ordinary course of business.

(c) Requires a restaurant or bar owner to prominently place a sign on the premises of the restaurant or bar containing specific language warning employees against engaging in certain acts.

(d) Requires a restaurant or bar owner to display the sign in English and in another language spoken by a substantial portion of the employees of the restaurant or bar as their familiar language.

(e) Provides that a restaurant or bar owner who fails to comply with this section commits a misdemeanor offense.

(f) Provides that it is a defense under this section to prosecution that the person charged produces to the court satisfactory evidence that the person displayed a sign as required by Subsection (c) within a specified time. Requires the court to dismiss the charge if the court is satisfied with the evidence produced by the person.

SECTION 2. Effective date: September 1, 2005.