

## **BILL ANALYSIS**

Senate Research Center  
79R7449 DWS-F

S.B. 1590  
By: Carona  
Business & Commerce  
4/8/2005  
As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

As proposed, S.B. 1590 allows a commercial business to electronically read the magnetic stripe of a consumer's driver's license at the point of sale when goods or services are purchased by check. S.B. 1590 enables businesses to protect themselves against monetary losses that could otherwise be incurred when accepting fraudulent or forged checks issued with a false driver's license or personal identification card. S.B. 1590 also allows a business to minimize monetary losses through the acceptance of a check from consumers who have other outstanding dishonored checks with this or another business serviced by a check verification system. This prevention of theft by check mechanism also assists in reducing the number of cases submitted for prosecution for violations of the Penal Code.

### **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 Section 521.126(e), Transportation Code, to provide that the prohibition provided by Subsection (b)(1) (regarding an offense related to electronically readable information) does not apply to a financial institution or a business if the information is accessed and used only for purposes of identification verification of an individual or check verification at the point of sale for a purchase of a good or service by check.

SECTION 2. Effective date: September 1, 2005.