

BILL ANALYSIS

Senate Research Center

H.B. 3093
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 3093 attempts to decrease credit card fraud by encouraging businesses to check a customer's identity by verifying a zip code associated with that credit card with the credit card issuing company. Additionally, this bill prohibits businesses from retaining the zip code after the purchase or service has been completed.

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 35.64, as follows:

Sec. 35.64. ZIP CODE VERIFICATION IN CREDIT CARD TRANSACTION. (a) Defines "credit card" and "credit card issuer."

(b) Authorizes a business to require a customer who purchases a good or service from the business using a credit card to provide the customer's zip code to verify the customer's identity as provided by Subsection (c).

(c) Authorizes a business that obtains a customer's zip code under Subsection (b) to electronically verify with the credit card issuer that the zip code matches any zip code that the credit card issuer has on file for the credit card.

(d) Prohibits a business that obtains a customer's zip code under Subsection (b) from retaining the zip code in any form after the purchase of the good or service has been completed.

SECTION 2. Effective date: upon passage or September 1, 2007.