

SUBJECT: Expanding access to electronically-readable driver's license information

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 6 ayes — Wilson, Yarbrough, Goolsby, Haggerty, A. Reyna, Wise
0 nays
3 absent — Flores, D. Jones, Moreno

WITNESSES: For — Glen Garey, Texas Restaurant Association; Galt Graydon, Ultramar Diamond Shamrock Corporation; Carol Hanson, Source Data; *Registered but did not testify:* Doug DuBois, Texas Petroleum Marketers and Convenience Store Association; Galt Graydon, 7-Eleven, Inc.; Glenda Medellin, Source Data; Jennifer Moore, Texas Hotel and Motel Association; Jay Propes
Against — None
On — Randy Yarbrough, Texas Alcoholic Beverage Commission

BACKGROUND: The 76th Legislature added Transportation Code, sec. 521.126 (HB 571 by Hupp), which prohibited access to electronically readable information on driver's licenses, commercial driver's licenses, or identification cards to anyone except those using it for governmental or law enforcement purposes. The information contained in the magnetic stripe on the back of the license or ID card is limited to the information printed on the license and a physical description of the licensee. Unauthorized use is a class A misdemeanor, punishable by up to one year in jail and/or a maximum fine of \$4,000. In a February 12, 2001, opinion (JC-0337), the attorney general determined that the magnetic stripe information may be utilized only by law enforcement and other governmental agency personnel acting in their official capacities.

The Texas Alcoholic Beverage Commission (TABC) is charged with inspecting, supervising, and regulating the alcoholic beverage industry and enforcing the law related to the industry. Alcoholic Beverage Code, sec. 32.09 sets forth guidelines for temporary membership in private clubs in Texas. Sec. 106.03 provides penalties for the sale of alcohol to minors.

DIGEST: HB 3016 would amend the Alcoholic Beverage Code, secs. 32.09 and 106.03 to permit the use of electronically-readable information from an ID certificate or a regular or commercial driver's license for the purpose of verifying information for a temporary membership at a private club or preventing the sale of alcohol to a minor. The bill would prohibit the retention of the information after it is no longer needed. The information also could not be marketed in any manner.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

SUPPORTERS SAY: Restricting access to information from the magnetic stripe on a driver's license to law enforcement or governmental agencies is too restrictive. HB 3016 would help protect convenience stores and private clubs from liability and further the public policy against underage drinking by allowing them to use available technology to check for underage purchasers or to comply with TABC regulations.

The bill would address privacy concerns by prohibiting retention or marketing of the information. The bill would allow access to the information only for appropriate purposes. The public service that would be provided by helping alcohol sellers to identify fraudulent IDs and limit sales of alcohol to minors would outweigh any potential privacy concerns.

OPPONENTS SAY: Despite the prohibitions in the bill, there would be no effective way to keep people from collecting databases. Once the magnetic stripes on driver's licenses and identity cards are allowed to be used for private or commercial purposes, it will open the door to other exceptions.