

HOUSE RESEARCH

Bill Summary

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Subject: Debit cards

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Overview

This bill requires that issuers of signature-based debit cards replace them with PIN-based debit cards that require the issuer to process transactions as PIN-based transactions.

Section

1 PIN-based debit card transactions.

Subd. 1. Definitions. Defines the terms debit card, PIN-based debit card, and signature-based debit card.

Subd. 2. PIN-based debit cards required. Requires that debit cards issued to a resident of this state be a PIN-based debit card.

Subd. 3. Transition language. Requires that debit cards that are not PIN-based be replaced with a PIN-based card no later than six months after this bill becomes effective.

Subd. 4. Moratorium on PCI compliance. Prohibits debit or credit card issuers or processors or anyone else from requiring a merchant or other owner of a debit card terminal to comply with the Payment Card Industries ("PCI") standards before full compliance with subdivisions 2 and 3.

Effective date: Makes subdivisions 1 to 3 effective January 1, 2011. Makes subdivision 4 effective immediately upon enactment.