

1-1 By: Flores S.B. No. 1809
1-2 (In the Senate - Filed March 3, 2025; March 13, 2025, read
1-3 first time and referred to Committee on Criminal Justice;
1-4 April 3, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 3, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Flores	X			
1-10	Parker	X			
1-11	Hagenbuch	X			
1-12	Hinojosa of Hidalgo	X			
1-13	Huffman	X			
1-14	King	X			
1-15	Miles	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1809 By: Flores

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the creation of the offense of fraudulent use,
1-20 possession, or tampering with a gift card, gift card packaging, or
1-21 gift card data or redemption information.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-23 SECTION 1. Subchapter D, Chapter 32, Penal Code, is amended
1-24 by adding Section 32.56 to read as follows:

1-25 Sec. 32.56. FRAUDULENT USE, POSSESSION, OR TAMPERING WITH
1-26 GIFT CARD, GIFT CARD PACKAGING, OR GIFT CARD DATA OR REDEMPTION
1-27 INFORMATION. (a) In this section:

1-28 (1) "Cardholder" means a person to whom a physical or
1-29 virtual gift card is given or any person who purchased the gift
1-30 card.

1-31 (2) "Card issuer" means any person that issues a gift
1-32 card or the agent of that person with respect to the card.

1-33 (3) "Counterfeit gift card" means a gift card that:

1-34 (A) purports on the front or back of the card to
1-35 have been issued by an issuer that did not issue the card;

1-36 (B) has been altered to contain a digital imprint
1-37 other than that which was placed on the card by the issuer;

1-38 (C) contains a digital imprint with account or
1-39 other information differing from that which is printed or embossed
1-40 on the card by the issuer; or

1-41 (D) has been altered to change the account or
1-42 other information, including an image or code, on the front or back
1-43 of the card from that which was printed or embossed on the card by
1-44 the issuer.

1-45 (4) "Digital imprint" means the digital data placed on
1-46 a gift card's magnetic strip or chip.

1-47 (5) "Gift card" means a card, code, or device that is
1-48 issued to a consumer on a prepaid basis in a specified amount and
1-49 redeemable upon presentation for the purchase of goods or services
1-50 and that is either activated or inactivated.

1-51 (6) "Gift card redemption information" means
1-52 information unique to each gift card that allows the cardholder to
1-53 access, transfer, or spend funds on the gift card.

1-54 (7) "Gift card seller" means a merchant engaged in the
1-55 business of selling gift cards to consumers.

1-56 (b) A person commits an offense if the person, with the
1-57 intent to harm or defraud another:

1-58 (1) acquires or retains possession of a gift card, a
1-59 digital imprint, or gift card redemption information without the
1-60 consent of the cardholder, card issuer, or gift card seller;

(2) alters or tampers with a gift card or gift card packaging;

(3) possesses, transports, uses, or attempts to use a gift card, a digital imprint, or gift card redemption information to obtain goods, services, or anything else of value with knowledge that the gift card is a counterfeit gift card or that the gift card, digital imprint, or gift card redemption information has been obtained in violation of Subdivision (1); or

(4) transports an unactivated gift card into a retail location that sells gift cards and places or attempts to place the gift card on a gift card rack, kiosk, or other display in a manner that would entice the public to purchase the gift card.

(c) If an actor possesses three or more gift cards, counterfeit gift cards, or digital imprints or the gift card redemption information obtained from three or more gift cards, a rebuttable presumption exists that the actor possesses each item without the consent of the cardholder, card issuer, or gift card seller.

(d) The presumption established under Subsection (c) does not apply to a business or other commercial entity or a governmental agency that is engaged in a business activity or governmental function that does not violate a penal law of this state.

(e) An offense under this section is:

(1) a state jail felony if the actor engaged in conduct described by Subsection (b) with respect to fewer than five unactivated gift cards, counterfeit gift cards, or digital imprints or gift card redemption information of gift cards;

(2) a felony of the third degree if the actor engaged in conduct described by Subsection (b) with respect to 5 or more but fewer than 10 unactivated gift cards, counterfeit gift cards, or digital imprints or gift card redemption information of gift cards;

(3) a felony of the second degree if the actor engaged in conduct described by Subsection (b) with respect to 10 or more but fewer than 50 unactivated gift cards, counterfeit gift cards, or digital imprints or gift card redemption information of gift cards; or

(4) a felony of the first degree if the actor engaged in conduct described by Subsection (b) with respect to 50 or more unactivated gift cards, counterfeit gift cards, or digital imprints or gift card redemption information of gift cards.

(f) If conduct that constitutes an offense under this section also constitutes an offense under any other law, the actor may be prosecuted under this section, the other law, or both.

SECTION 2. This Act takes effect September 1, 2025.

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