

A bill for an act  
relating to commerce; requiring debit cards to be issued as PIN-based cards and  
transactions made with those cards to be processed as PIN-based transactions;  
providing a moratorium on implementation of certain standards; proposing  
coding for new law in Minnesota Statutes, chapter 47.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [47.695] PIN-BASED DEBIT CARD TRANSACTIONS.

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in  
this subdivision have the meanings given.

(b) "Debit card" means a card issued by a financial institution that contains a  
magnetic strip, microprocessor chip, or other means of storage of information that permits  
the user to make a payment from a demand deposit account at that financial institution and  
not in the form of an extension of credit.

(c) "PIN-based debit card" means a debit card that requires that the user provide  
the personal identification number (PIN) associated with the card in order to use the  
debit card to make a transaction, and that requires the issuer to process the transaction as  
a PIN-based transaction.

(d) "Signature-based debit card" means a debit card that permits the user to make a  
transaction by providing the cardholder's signature or the cardholder's PIN, but does not  
allow the issuer of the card to process the transaction as a PIN-based transaction.

Subd. 2. PIN-based debit cards required. No issuer of a debit card shall issue a  
debit card to a resident of this state unless the debit card is a PIN-based debit card.

Subd. 3. Transition language. Debit cards issued prior to the effective date of this  
section that do not comply with subdivision 2 must be replaced with compliant cards no  
later than six months after the effective date of this act.

**H.F. No. 3623, as introduced - 86th Legislative Session (2009-2010) [10-6073]**

2.1            Subd. 4. **Moratorium on PCI compliance.** No debit card issuer, credit card issuer,  
2.2            debit or credit card processor, or any other person may require a merchant or other owner  
2.3            of a debit card terminal to become compliant with Payment Card Industries standards prior  
2.4            to full compliance with subdivisions 2 and 3.

2.5            **EFFECTIVE DATE.** Subdivisions 1 to 3 are effective January 1, 2011. Subdivision  
2.6            4 is effective the day following final enactment.