

BILL ANALYSIS

Senate Research Center

S.B. 611
By: Nelson
Business & Commerce
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Enrolled

DIGEST AND PURPOSE

According to the Justice Department, as many as 700,000 people a year may be victims of identity theft, and Federal Trade Commission data indicates nearly 86,000 individuals filed identity theft complaints in 2001. Meridian Research projects that identity theft will cost the financial institution sector \$8 billion by 2006. Social security numbers are vulnerable pieces of information used in identity theft. S.B. 611 prohibits the display of an individual's social security number on any device required to access products or services and provides a civil penalty for a violation. This bill exempts the collection, use, or release of a social security number for internal verifications or as required by law. S.B. 611 also sets forth the procedure for applying for an extension for coming into compliance with this Act.

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 and Commerce Code, by adding Section 35.58, as follows:

Sec. 35.58. CONFIDENTIALITY OF SOCIAL SECURITY NUMBER. (a) Prohibits a person from printing an individual's social security number on any device required to access a product or service provided by that person unless the individual requests such printing in writing. Prohibits a person from requiring such a request as a condition for receipt of or access to a product or service provided by the person.

(b) Provides that a violation of this section carries a civil penalty not to exceed \$500 for each violation. Authorizes the attorney general, or the prosecuting attorney in the county in which the violation takes place, to recover the penalty, or restrain or enjoin a person from violating this section, by legal means.

(c) Exempts from this section the collection, use, or release of a social security number required by state or federal law or for internal verification of administrative purposes.

SECTION 2. (a) Effective date: March 1, 2005.

(b) Makes application of this Act prospective to March 1, 2005.

(c) Authorizes a person described in Section 149.001(b)(1), Finance Code, to request a hearing before the credit union commissioner (commissioner) for additional time to comply with this Act. Requires the commissioner, if making a determination that the person has made a good faith attempt but is unable to comply with the provisions in this Act by March 1, 2005, to issue an order for the person to take the required actions to come into compliance with this Act within a time frame of up to one year. Provides that any person not provided additional time to comply will be subject to all provisions of this Act as of the effective date. Provides that any hearing conducted and all related materials are deemed

confidential. Requires any hearing request to be made not less than 60 days prior to March 1, 2005.