

BILL ANALYSIS

S.B. 611
By: Nelson
Business & Industry
Committee Report (Amended)

BACKGROUND 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. As proposed, 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.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Chapter 35D, 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 has requested in writing such printing.

(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.

EFFECTIVE DATE

March 1, 2005.

EXPLANATION OF AMENDMENTS

Creates a new (c) in Section 2 that allows a person described in Section 149.001(b)(1) of the Finance Code to request a hearing before the Credit Union Commissioner for additional time to comply with this

section.