

Amend CSHB 955 by adding the following appropriately-numbered SECTIONS and renumbering subsequent SECTIONS, if applicable, accordingly:

"SECTION __. Subchapter D, Chapter 35, Business & Commerce Code, is amended by adding Section 35.62 to read as follows:

Sec. 35.62. PROHIBITED ACTS WITH RESPECT TO USE OF CUSTOMERS' SOCIAL SECURITY NUMBERS. (a) In this section:

(1) "Customer" means an individual who has established or is attempting to establish an account with a person.

(2) "Financial institution" means:

(A) a bank, or a subsidiary of a bank, savings association, savings bank, or credit union maintaining an office, branch, or agency office in this state; and

(B) a financial institution as defined by 15 U.S.C. Sections 6801-6809.

(b) A person may not request a customer's social security number, or another number that includes four or more consecutive digits of a customer's social security number, as an identifier unless the number is needed to complete a credit check that is required to provide a service or product requested by the customer.

(c) A person that requests a customer's number to complete a credit check, as provided in Subsection (b), shall:

(1) destroy each record of the number by shredding, erasing, or other means after the credit check is completed; or

(2) maintain the number:

(A) for the sole purpose of allowing authorized employees to use the number to collect a debt or rent or to protect against fraud or unauthorized transactions; and

(B) in a database or other location that ensures the security and confidentiality of the number and protects against unauthorized access to, or use of, the number.

(d) When a customer's number is no longer maintained by the person as required by Subsection (c)(2), the person shall destroy each record of the number by shredding, erasing, or other means.

(e) A person may not request an existing customer's social security number, or another number that includes four or more consecutive digits of an existing customer's social security number, to verify the customer's relationship with the person.

(f) This section does not apply to:

(1) a financial institution, mortgage lender, or mortgage broker, or a person duly licensed under Chapter 348 of the Finance Code;

(2) a covered entity as defined by Section 601.001 or 602.001, Insurance Code;

(3) a governmental entity; or

(4) a person who is required to maintain and disseminate a privacy policy under the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191); or

(5) a retail electric utility provider as defined by Section 31.002 of the Utilities Code.

(g) A person that violates this section is liable to the state for a civil penalty of \$1,000 for each violation. The attorney general or the prosecuting attorney in the county in which the violation occurs may bring suit to recover the civil penalty imposed under this section. The attorney general may bring an action in the name of the state to restrain or enjoin a business from violating this section.

SECTION __. (a) The Office of Consumer Credit Commissioner, with the assistance of the attorney general, shall conduct a study to develop and evaluate proposals to limit the use of social security numbers by businesses in this state.

(b) In conducting the study, the consumer credit commissioner shall receive input from credit reporting agencies, businesses, and consumer groups.

(c) The consumer credit commissioner shall evaluate whether, when a business contacts a credit reporting agency for a credit check of a customer, the business and credit reporting agency should create a unique code that:

(1) would allow the business to retrieve the social security number of the customer for collection purposes; and

(2) permit the business to delete the social security

number of the customer from the records of the business.

(d) The consumer credit commissioner shall determine the date on which the system described by Subsection (c) of this section could be implemented and the feasibility of monitoring compliance with the system.

(e) Not later than July 1, 2006, the consumer credit commissioner shall submit a report to the legislature regarding the results of the study conducted under this section.

(f) This section expires September 1, 2006.