

BILL ANALYSIS

H.B. 853
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Many national retail stores have signed up with a company that compiles consumer information, including name and driver's license number, and places it into a national database. The database is intended to prevent fraudulent returns by tracking consumers who make a habit of returning merchandise. Although the need to track fraudulent returns is imperative to the economic stability of the retail industry, consumers who legally return merchandise should be able to do so without their personal information being sent into a national database without their knowledge.

House Bill 835 provides that merchants who require consumers to provide their driver's license or social security number when returning merchandise should use that information for identification purposes only.

RULEMAKING AUTHORITY

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

ANALYSIS

House Bill 835 amends Subchapter D, Chapter 35, Business and Commerce Code, as follows:

The bill provides that merchants who require a driver's license or social security number from consumers returning merchandise only use that information for identification purposes only. Merchants may not disclose a consumer's driver's license or social security number to any database that tracks the frequency of which consumers return merchandise. The bill provides for a civil penalty of an amount not to exceed \$500 for the violation of this section as well as injunctive relief.

EFFECTIVE DATE

September 1, 2005.