BILL ANALYSIS

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Business & Commerce Code does not require a person to provide a privacy policy to an individual when they require that individual to disclose their social security number to obtain goods or services or enter into a business transaction. With the increasing threat of identity theft, legislation is necessary to require a privacy policy in such situations.

C.S.H.B. 1130 adds Section 35.581 to Subchapter D, Chapter 35, Business & Commerce Code, to make a privacy policy necessary when a person requires disclosure of an individual's social security number to obtain goods or services or enter into a business transaction.

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 & Commerce Code, by adding Section 35.581, as follows:

> Sec. 35.581. PRIVACY POLICY NECESSARY TO REQUIRE DISCLOSURE OF SOCIAL SECURITY NUMBER. (a) Prohibits a person from requiring an individual to disclose the individual's social security number to obtain goods or services from or enter into a business transaction with the person, unless the person adopts a privacy policy, makes the privacy policy available to the individual, and maintains under the privacy policy the confidentiality and security of a social security number disclosed to the person.
>
> (b) Requires a privacy policy adopted under this section to include how personal information is collected, how and when the personal information is used, how the personal information is protected, who has access to the personal information, and how the personal information is disposed.
>
> (c) Provides that this section does not apply to certain persons, entities, or governmental bodies.
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> (d) Provides that a person who violates Subsection (a) is liable to the state for a civil penalty in an amount not to exceed $500 for each calendar month during which a violation occurs. Prohibits the civil penalty from being imposed for more than one violation that occurs in a month. Authorizes the attorney general or the prosecuting attorney in the county in which the violation occurs to bring suit to recover the civil penalty imposed under this section.
>
> (e) Authorizes the attorney general to bring an action in the name of the state to restrain or enjoin a person from violating Subsection (a).

SECTION 2. Effective date: September 1, 2005.