

By: Turner

H.B. No. 412

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the use of credit scoring and credit history by certain
3 telecommunications and electric service providers.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 17.004, Utilities Code, is amended by
6 adding Subsections (h) and (i) to read as follows:

7 (h) All buyers of basic local telecommunications services
8 and retail electric services are entitled to protection from
9 discrimination on the basis of credit history or credit score. For
10 the purposes of this subsection, the use of a credit history or
11 credit score:

12 (1) is not considered discrimination when used in
13 determining the applicability of a security deposit requirement;
14 and

15 (2) is considered discrimination when used:

16 (A) in denying or pricing service to a buyer or
17 potential buyer; or

18 (B) in limiting a buyer's ability to switch
19 service providers.

20 (i) In this section:

21 (1) "Credit history" means information regarding an
22 individual's past history of:

23 (A) financial responsibility;

24 (B) payment habits; or

1 (C) creditworthiness.

2 (2) "Credit score" means a score, grade, or value that
3 is derived by using data from a credit history in any type of model,
4 method, or program for the purpose of grading or ranking credit
5 report data, whether derived electronically, from an algorithm,
6 through a computer software application model or program, or
7 through any other analogous process.

8 SECTION 2. This Act takes effect September 1, 2005.