

1-1 By: Cook of Navarro, et al. H.B. No. 1130
1-2 (Senate Sponsor - Ellis)
1-3 (In the Senate - Received from the House April 14, 2005;
1-4 April 18, 2005, read first time and referred to Committee on
1-5 Business and Commerce; May 6, 2005, reported adversely, with
1-6 favorable Committee Substitute by the following vote: Yeas 8,
1-7 Nays 0; May 6, 2005, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR H.B. No. 1130 By: Lucio

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to the adoption of a privacy policy by a person who
1-12 requires the disclosure of an individual's social security number;
1-13 providing a civil penalty.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Subchapter D, Chapter 35, Business & Commerce
1-16 Code, is amended by adding Section 35.581 to read as follows:

1-17 Sec. 35.581. PRIVACY POLICY NECESSARY TO REQUIRE DISCLOSURE
1-18 OF SOCIAL SECURITY NUMBER. (a) A person may not require an
1-19 individual to disclose the individual's social security number to
1-20 obtain goods or services from or enter into a business transaction
1-21 with the person, unless the person;

1-22 (1) adopts a privacy policy;

1-23 (2) makes the privacy policy available to the
1-24 individual; and

1-25 (3) maintains under the privacy policy the
1-26 confidentiality and security of a social security number disclosed
1-27 to the person.

1-28 (b) A privacy policy adopted under this section must include
1-29 how personal information is collected, how and when the personal
1-30 information is used, how the personal information is protected, who
1-31 has access to the personal information, and how the personal
1-32 information is disposed.

1-33 (c) This section does not apply to:

1-34 (1) a person who is required to maintain and
1-35 disseminate a privacy policy under the Gramm-Leach-Bliley Act (15
1-36 U.S.C. Sections 6801 to 6809), the Family Educational Rights and
1-37 Privacy Act (20 U.S.C. Section 1232g), or the Health Insurance
1-38 Profitability and Accountability Act of 1996 (42 U.S.C. Section
1-39 1320d et seq.);

1-40 (2) a covered entity under rules adopted by the
1-41 commissioner of insurance relating to insurance consumer health
1-42 information privacy or insurance consumer financial information
1-43 privacy;

1-44 (3) a governmental body, as defined by Section
1-45 552.003, Government Code, other than a municipally owned utility;
1-46 or

1-47 (4) a person with respect to a loan transaction, if the
1-48 person is not engaged in the business of making loans.

1-49 (d) A person who violates Subsection (a) is liable to the
1-50 state for a civil penalty in the amount not to exceed \$500 for each
1-51 calendar month during which a violation occurs. The civil penalty
1-52 may not be imposed for more than one violation that occurs in a
1-53 month. The attorney general or the prosecuting attorney in the
1-54 county in which the violation occurs may bring suit to recover the
1-55 civil penalty imposed under this section.

1-56 (e) The attorney general may bring an action in the name of
1-57 the state to restrain or enjoin a person from violating Subsection
1-58 (a).

1-59 SECTION 2. This Act takes effect September 1, 2005.

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