

By: West, Royce

S.B. No. 674

A BILL TO BE ENTITLED

AN ACT

relating to limiting the use of customers' social security numbers by persons; providing a civil penalty.

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

SECTION 1. 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 THE 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 bank, savings association, savings bank, or credit union maintaining an office, branch, or agency office in this state.

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

(d) This section does not apply to a financial institution or a governmental entity.

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

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