

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 17, 2005

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB674 by West, Royce (Relating to limiting the use of customers' social security numbers by persons; providing a civil penalty.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would prohibit a person from requesting a customer's social security number unless a credit check is required to provide a service or product requested by the customer. A person who requests a customer's number to complete a credit check must destroy each record of the number after the credit check has been completed. However, the bill would allow a person to maintain the consumer's social security number in a secured location for the sole purpose of allowing authorized employees to use the number to collect a debt or to protect against fraud or unauthorized transactions.

A person who violates this section would be liable to the state for a civil penalty of up to \$1,000 for each violation. This section does not apply to a financial institution, a governmental entity or an entity governed by Section 601.001 or 602.001 of the Insurance Code or a person required to maintain a privacy policy under HIPPA. The Attorney General or the county attorney would have authority to bring suit to recover the civil penalty. The Attorney General could also bring an action to enjoin a business from violating this section.

The bill requires the Office of Consumer Credit Commissioner, with the assistance of the Attorney General, to conduct a one year study to develop and evaluate proposals to limit the use of social security numbers in the state.

The proposed legislation may result in new complaints, investigations or cases by the Office of the Attorney General; however, it is projected that this increase can be absorbed by current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 466 Office of Consumer Credit Commissioner

LBB Staff: JOB, JRO, MS