

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 15, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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.), **Committee Report 1st House, Substituted**

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. 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, an entity governed by Section 601.001 or 602.001 of the Insurance Code, or a person required to maintain a privacy policy under the Health Insurance Portability and Accountability Act of 1996.

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 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, SD, JRO, MS