

BILL ANALYSIS

H.B. 863
By: Cook, Byron
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

During the 79th Legislative Session, HB 1130 was passed, requiring businesses to provide a privacy policy to customers if they require the customers to disclose their social security number for a service. HB 1130 also exempted any businesses subject to the federal Gramm-Leach-Bliley Act (GLBA) because the GLBA included privacy protection measures. Because CPAs were included in the GLBA, they were exempt from Section 35.581 of the Business & Commerce Code.

In 2005, Congress exempted accountants from the GLBA because state licensure laws already required CPAs to maintain confidentiality of client information. The additional requirements were an unnecessary burden on CPAs, especially small practitioners. Because of the exemption from the GLBA, CPAs are now subject to Section 35.581 of the Business & Commerce Code.

House Bill 863 exempts certain persons holding an accountant license or affiliated with an accountant from the list of persons or entities required to adopt a policy pertaining to the disclosure of social security numbers.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

House Bill 863 amends the Business and Commerce Code to exempt persons subject to Section 901.457, Occupations Code, from the list of persons or entities required to adopt a policy pertaining to the disclosure of social security numbers.

EFFECTIVE DATE

September 1, 2007.