

By: Geren

H.B. No. 1706

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the licensing and regulation of identity recovery
3 service providers and the inclusion of identity recovery service
4 agreements in certain service contracts and vehicle protection
5 products; providing penalties.

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

7 SECTION 1. Section 1304.003, Occupations Code, is amended
8 by adding Subsection (b-1) to read as follows:

9 (b-1) A service contract sold by a person licensed under
10 Chapter 2301 to the purchaser of a motor vehicle at the time the
11 purchaser enters into a retail installment transaction, as defined
12 by Section 348.001, Finance Code, may also include an agreement to
13 provide identity recovery services, as defined by Section 1705.001.
14 An agreement under this subsection may not include an agreement
15 solely to provide credit monitoring services. Section 1304.158(c)
16 does not apply to an agreement under this subsection.

17 SECTION 2. Title 10, Occupations Code, is amended by adding
18 Chapter 1705 to read as follows:

19 CHAPTER 1705. IDENTITY RECOVERY SERVICE PROVIDERS

20 Sec. 1705.001. DEFINITIONS. In this chapter:

21 (1) "Commission" means the Texas Commission of
22 Licensing and Regulation.

23 (2) "Department" means the Texas Department of
24 Licensing and Regulation.

1 (3) "Identifying information" has the meaning
2 assigned by Section 32.51, Penal Code.

3 (4) "Identity recovery service provider" means a
4 person who holds a license issued under this chapter to provide
5 identity recovery services.

6 (5) "Identity recovery services" means services
7 required to:

8 (A) recover a person's identifying information
9 after the identifying information has been obtained without the
10 person's consent;

11 (B) prevent the continued unauthorized use of a
12 person's identifying information; and

13 (C) reverse damage caused by the unauthorized use
14 of a person's identifying information.

15 Sec. 1705.002. RULES. (a) The commission shall adopt rules:

16 (1) providing license requirements for identity
17 recovery service providers; and

18 (2) regulating the practice by identity recovery
19 service providers.

20 (b) Rules adopted under this chapter must:

21 (1) protect the public health, safety, and welfare;
22 and

23 (2) ensure that identity recovery service providers
24 are able to competently provide identity recovery services.

25 Sec. 1705.003. ADMINISTRATION BY DEPARTMENT. The
26 department shall administer this chapter.

27 Sec. 1705.004. APPLICABILITY OF OTHER LAW. (a) Chapter 51

1 applies to the licensing and regulation of persons under this
2 chapter.

3 (b) Chapter 1702 does not apply to an identity recovery
4 service provider.

5 Sec. 1705.005. LICENSE REQUIRED. A person may not provide
6 identity recovery services unless the person holds an identity
7 recovery service provider license issued under this chapter.

8 Sec. 1705.006. COLLECTION OF FEES. A retail installment
9 contract under Chapter 348, Finance Code, may include as a separate
10 charge an amount for an agreement to provide identity recovery
11 services.

12 SECTION 3. Subchapter A, Chapter 2306, Occupations Code, is
13 amended by adding Section 2306.0035 to read as follows:

14 Sec. 2306.0035. ADDITIONAL SERVICES. A vehicle protection
15 product may also include an agreement to provide identity recovery
16 services, as defined by Section 1705.001.

17 SECTION 4. Not later than January 31, 2010, the Texas
18 Commission of Licensing and Regulation shall:

19 (1) adopt rules under Section 1705.002, Occupations
20 Code, as added by this Act; and

21 (2) begin issuing identity recovery service provider
22 licenses under Chapter 1705, Occupations Code, as added by this
23 Act.

24 SECTION 5. (a) Except as provided by Subsection (b) of this
25 section, this Act takes effect September 1, 2009.

26 (b) The following provisions take effect June 1, 2010:

27 (1) Section 1304.003(b-1), Occupations Code, as added

1 by this Act;

2 (2) Section 1705.005, Occupations Code, as added by
3 this Act; and

4 (3) Section 2306.0035, Occupations Code, as added by
5 this Act.