

By: Giddings

H.B. No. 3011

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to prohibiting the use or retention of zip codes obtained  
3 by businesses in verifying the identity of customers; providing a  
4 civil penalty.

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

6 SECTION 1. Section 505.003, Business & Commerce Code, is  
7 amended to read as follows:

8 Sec. 505.003. RETENTION OR USE OF ZIP CODE AFTER  
9 TRANSACTION COMPLETED PROHIBITED; CIVIL PENALTY AND INJUNCTIVE  
10 RELIEF. (a) A business that obtains a customer's zip code under  
11 Section 505.002 may not, after the purchase of the good or service  
12 has been completed:

13 (1) retain the zip code in any form; or  
14 (2) use or cause the zip code to be used for any  
15 purpose, without regard to whether the zip code is linked or not  
16 linked to the identity of the customer [~~after the purchase of the~~  
17 ~~good or service has been completed~~].

18 (b) A business that violates this section is liable for a  
19 civil penalty in an amount of not less than \$500 or more than \$1,000  
20 for each act of violation.

21 (c) A person injured or threatened with injury by a  
22 violation of this section may seek injunctive relief against the  
23 business committing or threatening to commit the violation.

24 (d) A person injured or threatened with injury by a

1 violation of this section includes a person whose zip code is  
2 retained or used for any purpose by a business in violation of this  
3 section.

4 (e) The attorney general or a county or district attorney  
5 may bring an action in the name of the state for a civil penalty,  
6 injunctive relief, or both under this section.

7 SECTION 2. Section 505.003, Business & Commerce Code, as  
8 amended by this Act, applies only to a zip code obtained by a  
9 business on or after the effective date of this Act.

10 SECTION 3. This Act takes effect September 1, 2011.