

By: Kolkhorst

S.B. No. 1013

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of personal information contained in motor vehicle records; providing an administrative penalty.

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

SECTION 1. Section 730.007(a), Transportation Code, is amended to read as follows:

(a) Personal information obtained by an agency in connection with a motor vehicle record may be disclosed to any requestor by an agency if the requestor in a written agreement with the agency:

(1) provides the requestor's name and address and any proof of that information required by the agency; ~~and~~

(2) represents that the use of the personal information will be strictly limited to:

(A) use by:

(i) a government agency, including any court or law enforcement agency, in carrying out its functions; or

(ii) a private person or entity acting on behalf of a government agency in carrying out the functions of the agency;

(B) use in connection with a matter of:

(i) motor vehicle or motor vehicle operator safety;

(ii) motor vehicle theft;

1 (iii) motor vehicle product alterations,
2 recalls, or advisories;

3 (iv) performance monitoring of motor
4 vehicles, motor vehicle parts, or motor vehicle dealers;

5 (v) motor vehicle market research
6 activities, including survey research; or

7 (vi) removal of nonowner records from the
8 original owner records of motor vehicle manufacturers;

9 (C) use in the normal course of business by a
10 legitimate business or an authorized agent of the business, but
11 only:

12 (i) to verify the accuracy of personal
13 information submitted by the individual to the business or the
14 agent of the business; and

15 (ii) if the information is not correct, to
16 obtain the correct information, for the sole purpose of preventing
17 fraud by, pursuing a legal remedy against, or recovering on a debt
18 or security interest against the individual;

19 (D) use in conjunction with a civil, criminal,
20 administrative, or arbitral proceeding in any court or government
21 agency or before any self-regulatory body, including service of
22 process, investigation in anticipation of litigation, execution or
23 enforcement of a judgment or order, or under an order of any court;

24 (E) use in research or in producing statistical
25 reports, but only if the personal information is not published,
26 redisclosed, or used to contact any individual;

27 (F) use by an insurer or insurance support

1 organization, or by a self-insured entity, or an authorized agent
2 of the entity, in connection with claims investigation activities,
3 antifraud activities, rating, or underwriting;

4 (G) use in providing notice to an owner of a towed
5 or impounded vehicle;

6 (H) use by a licensed private investigator agency
7 or licensed security service for a purpose permitted under this
8 section;

9 (I) use by an employer or an agent or insurer of
10 the employer to obtain or verify information relating to a holder of
11 a commercial driver's license that is required under 49 U.S.C.
12 Chapter 313;

13 (J) use in connection with the operation of a
14 private toll transportation facility;

15 (K) use by a consumer reporting agency, as
16 defined by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et
17 seq.), for a purpose permitted under that Act; or

18 (L) use for any other purpose specifically
19 authorized by law that relates to the operation of a motor vehicle
20 or to public safety;

21 (3) agrees to maintain records that:

22 (A) specify the requestor's use of the personal
23 information; and

24 (B) identify any person or entity receiving the
25 personal information and the permitted use for which it was
26 obtained if the requestor resells or rediscloses that information;

27 and

1 (4) provides any other information as required by the
2 agency.

3 SECTION 2. Chapter 730, Transportation Code, is amended by
4 adding Sections 730.0135, 730.0136, 730.0155, and 730.017 to read
5 as follows:

6 Sec. 730.0135. NOTICE OF RESALE OR REDISCLOSURE. An
7 authorized recipient who resells or rediscloses personal
8 information under Section 730.013 shall notify the agency that
9 provided the information of the resale or redisclosure not later
10 than the 30th day after the date the recipient resells or
11 rediscloses the personal information.

12 Sec. 730.0136. RECORDS BY RECIPIENTS. An authorized
13 recipient of personal information shall provide copies of all
14 records required to be maintained by the recipient under this
15 chapter to the agency that provided the information on request.

16 Sec. 730.0155. ADMINISTRATIVE PENALTY FOR MISUSE OF
17 PERSONAL INFORMATION. (a) A recipient of personal information may
18 not use personal information in a manner not authorized by Section
19 730.007(a)(2).

20 (b) In addition to any other penalties provided by this
21 chapter, the Texas Department of Motor Vehicles may impose an
22 administrative penalty on a recipient of personal information who
23 violates Subsection (a). The recipient is liable to the department
24 for an administrative penalty of \$100 for each motor vehicle record
25 used in violation of Subsection (a), provided that the total amount
26 assessed may not exceed:

27 (1) \$50,000, except as provided by Subdivision (2); or

1 (2) \$100,000, if the recipient has previously been
2 assessed an administrative penalty under this subsection for a
3 violation that occurred within five years before the date of the
4 violation that is the subject of the penalty.

5 (c) A proceeding to impose an administrative penalty under
6 this section is subject to Chapter 2001, Government Code.

7 (d) An administrative penalty collected under this section
8 shall be deposited to the credit of the Texas Department of Motor
9 Vehicles fund.

10 Sec. 730.017. BREACH OF SYSTEM SECURITY. (a) In this
11 section, "breach of system security" has the meaning assigned by
12 Section 521.053, Business & Commerce Code.

13 (b) A recipient of personal information under this chapter:

14 (1) shall take measures in response to a breach of
15 system security to contain the unauthorized acquisition of personal
16 information to the best of the person's abilities; and

17 (2) is liable for damages resulting from the breach of
18 system security.

19 SECTION 3. Section 730.0155, Transportation Code, as added
20 by this Act, applies only to a violation that occurs on or after the
21 effective date of this Act. A violation that occurs before the
22 effective date of this Act is governed by the law in effect on the
23 date the violation occurred, and the former law is continued in
24 effect for that purpose.

25 SECTION 4. Section 730.017, Transportation Code, as added
26 by this Act, applies only to a breach of system security that occurs
27 on or after the effective date of this Act. A breach of system

1 security that occurs before the effective date of this Act is
2 governed by the law in effect at the time the breach occurred, and
3 that law is continued in effect for that purpose.

4 SECTION 5. This Act takes effect September 1, 2017.