

By: Guerra

H.B. No. 1743

A BILL TO BE ENTITLED

AN ACT

relating to the protection of personal information sold by a state agency to a contractor; authorizing a civil penalty.

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

SECTION 1. Subchapter F, Chapter 2054, Government Code, is amended by adding Section 2054.1126 to read as follows:

Sec. 2054.1126. SECURITY BREACH BY STATE AGENCY CONTRACTOR; DEBARMENT; CIVIL PENALTY. (a) In this section:

(1) "Breach of system security" has the meaning assigned by Section 521.053, Business & Commerce Code.

(2) "Sensitive personal information" has the meaning assigned by Section 521.002, Business & Commerce Code.

(b) A state agency that owns, licenses, or maintains computerized data that includes sensitive personal information, confidential information, or information the disclosure of which is regulated by law may sell that data to a contractor only if the sale is authorized under other law and the sale contract includes a statement that the contractor:

(1) will comply with the notification requirements of Section 521.053, Business & Commerce Code;

(2) will notify the state agency not later than 48 hours after the discovery of the breach of system security, suspected breach of system security, or unauthorized exposure;

(3) will assist each person whose personal information

1 was exposed with:

2 (A) protecting the person from identity theft;

3 and

4 (B) protecting or restoring the person's credit
5 rating;

6 (4) will pay any civil penalty assessed against the
7 contractor; and

8 (5) acknowledges that the contractor's failure to
9 comply with this section:

10 (A) constitutes a default of the contract on
11 notice from the state agency; and

12 (B) may subject the contractor to debarment from
13 contracting with the state.

14 (c) A state agency that determines a contractor has not
15 complied with this section shall refer the matter to the
16 comptroller for action. The comptroller shall bar the contractor
17 from contracting with the state using procedures prescribed under
18 Section 2155.077. Debarment under this subsection expires on the
19 third anniversary of the date of the debarment.

20 (d) A contractor who obtains from a state agency
21 computerized data that includes sensitive personal information,
22 confidential information, or information the disclosure of which is
23 regulated by law is liable to this state for a civil penalty imposed
24 in accordance with Section 521.151, Business & Commerce Code, for a
25 breach of system security or an unauthorized exposure of that
26 information.

27 SECTION 2. Section 2054.1126, Government Code, as added by

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1 this Act, applies only to a contract entered into or renewed on or
2 after the effective date of this Act.

3 SECTION 3. This Act takes effect September 1, 2021.