

BILL ANALYSIS

S.B. 584
By: West
Trade, Workforce & Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that, although consumer reporting agencies must comply with certain reporting information laws that protect the consumer's privacy, these regulations can be circumvented by using information from a third party or another consumer agency. The bill sponsor has informed the committee that, as a result, consumer reporting agencies have purchased new data for their consumer reports that do not comply with consumer privacy laws. S.B. 584 seeks to address this issue by ensuring all information furnished in consumer reports conforms to the regulations previously set in place regardless of the source of information.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

S.B. 584 amends the Business & Commerce Code to require a consumer reporting agency that prepares a consumer report using information obtained from another consumer reporting agency or a third party to ensure that the information obtained is compiled and furnished by the agency in a consumer report in a manner that complies with the statutory provision that prohibits a consumer reporting agency from reporting the following information:

- a case under Title 11 of the United States Code or under the federal Bankruptcy Act in which the date of entry of the order for relief or the date of adjudication predates the consumer report by more than 10 years;
- a suit or judgment in which the date of entry predates the consumer report by more than seven years or the governing statute of limitations, whichever is longer;
- a tax lien in which the date of payment predates the consumer report by more than seven years;
- a record of arrest, indictment, or conviction of a crime in which the date of disposition, release, or parole predates the consumer report by more than seven years;
- a collection account with a medical industry code, if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim; or
- another item or event that predates the consumer report by more than seven years.

S.B. 584 applies only to a consumer report furnished on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.