

BILL ANALYSIS

Senate Research Center
89R574 MLH-D

S.B. 584
By: West
Business & Commerce
4/2/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Consumer reporting agencies must comply with certain reporting information laws that protect the customer's privacy. However, consumer reporting agencies can circumvent these regulations by using information from a third party or another consumer agency. As a result, consumer reporting agencies have purchased new data for their consumer reports that do not comply with the regulations from Section 20.05 of the Texas Business & Commerce Code.

S.B. 584 would amend Section 20.05, Business & Commerce Code, by adding Subsection (c-1) to clarify that consumer reporting agencies using information obtained from other consumer reporting agencies or third parties must comply with the regulations set in Section 20.05.

S.B. 584 aims to protect customer privacy by ensuring all information furnished in consumer reports conforms to the regulations previously set in place regardless of the source of information.

As proposed, S.B. 584 amends current law relating to the responsibility of consumer reporting agencies to ensure compliance with certain consumer reporting laws.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 20.05, Business & Commerce Code, by adding Subsection (c-1), as follows:

(c-1) Requires 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 Section 20.05 (Reporting of Information Prohibited).

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2025.