

BILL ANALYSIS

Senate Research Center
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S.B. 1343
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Data brokers have historically operated with few regulations, which allowed them to collect massive amounts of personal data and sell it to the highest bidder without regard for consumer harms. During the 88th Texas Legislative Session, S.B. 2105, a data broker registration bill, passed into law. Authored by Senator Nathan Johnson, S.B. 2105 requires data brokers to register annually with the Texas Secretary of State, provide certain information about their data handling practices, and maintain a comprehensive information security program to safeguard personal data. The data broker registry is currently housed on the Texas Secretary of State's website.

Also during the 88th Texas Legislative Session, a comprehensive data privacy bill, H.B. 4, also known as the Texas Data Privacy and Security Act (TDPSA), passed into law. This new law allows Texans to see what data certain businesses collect about them, correct any incorrect information, ask businesses to delete their data, and opt out of the collection and sale of their data. These new protections apply to data brokers, but it is difficult for individuals to figure out how to access this information. As long as this data is inaccessible, the TDPSA's ability to fully protect and inform consumers remains limited.

S.B. 1343 would require data brokers to include a link to a page on the data broker's website that provides consumers with specific instructions on exercising their data privacy rights. The link would be collected during the data broker's annual registration with the Texas Secretary of State. This simple change will help those who access the data broker registry more easily locate this important information. Additionally, making this change to align with the TDPSA will ensure that any future changes made to the consumer rights granted under the TDPSA will be reflected in the annual registration requirements for data brokers. Altogether, S.B. 1343 would increase data broker transparency to hold these companies accountable and allow consumers to more fully benefit from the protections of the TDPSA already approved by the Texas Legislature.

As proposed, S.B. 1343 amends current law relating to the notice requirements of a data broker registration statement and Internet website.

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 509.004, Business & Commerce Code, as added by Chapter 963 (S.B. 2105), Acts of the 88th Legislature, Regular Session, 2023, as follows:

Sec. 509.004. NOTICE ON WEBSITE OR MOBILE APPLICATION. Requires a data broker that maintains an Internet website or mobile application to post a conspicuous notice on the website or application that meets certain requirements, including informing a consumer how to exercise any consumer rights the consumer may have under Chapter 541 (Consumer Data Protection). Makes nonsubstantive changes.

SECTION 2. Amends Section 509.005(b), Business & Commerce Code, as added by Chapter 963 (S.B. 2105), Acts of the 88th Legislature, Regular Session, 2023, as follows:

(b) Requires that the registration statement required to be filled by a data broker to which Chapter 509 (Data Brokers) applies include certain information, including a link to a page on the data broker's Internet website that provides consumers with specific instructions, which must be prominently displayed, on how to exercise their consumer rights under Section 541.051 (Consumer's Personal Data Rights; Request to Exercise Rights), and any other applicable data privacy rights under Chapter 541.

SECTION 3. Makes application of Section 509.005(b), Business & Commerce Code, as amended by this Act, prospective.

SECTION 4. Provides that it is the intent of the 89th Legislature, Regular Session, 2025, that the amendments made by this Act to Sections 509.004 and 509.005(b), Business & Commerce Code, be harmonized with another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 5. Effective date: September 1, 2025.