

BILL ANALYSIS

Senate Research Center

S.B. 2121
By: Johnson
Business & Commerce
7/8/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

By request of the Office of the Texas Attorney General, S.B. 2121 would aim to rectify clerical errors in the data broker law and associated sections of code. The data broker law in the Texas Business and Commerce Code aimed to enforce consumer protections and increase transparency around data collection. In this statute, a "data broker" is defined as "a business entity whose principal source of revenue is derived from the collecting, processing, or transferring of personal data that the entity did not collect directly from the individual linked or linkable to the data." However, Section 509.003 of the Business & Commerce Code, which establishes the business entities the data broker law applies to, uses the term "data broker" instead of "business entity," and creates a discrepancy. Data brokers have attempted to use this textual discrepancy to argue that the data broker law does not apply to them, which harms consumers and decreases vital transparency measures.

S.B. 2121 would make a clerical change by replacing the term "data broker" with "business entity" or similar changes to conform the data broker law. This would make it so that the law applies to the intended companies and is applied as originally intended.

(Original Author's/Sponsor's Statement of Intent)

S.B. 2121 amends current law relating to the regulation of certain business entities that act as data brokers.

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 509.001(4), Business & Commerce Code, as added by Chapter 963 (S.B. 2105), Acts of the 88th Legislature, Regular Session, 2023, to redefine "data broker."

SECTION 2. Amends Section 509.003(a), Business & Commerce Code, as added by Chapter 963 (S.B. 2105), Acts of the 88th Legislature, Regular Session, 2023, as follows:

(a) Provides that, except as provided by Subsection (b) (relating to providing that Chapter 509 (Definitions) does not apply to certain entities), Chapter 509 applies only to a data broker that, in a 12-month period, derives:

(1) more than 50 percent of the data broker's revenue directly from processing or transferring personal data not collected by the data broker, rather than data that the data broker did not collect, directly from the individual to whom the data pertains; or

(2) makes conforming changes to this subdivision.

SECTION 3. Provides that it is the intent of the 89th Legislature, Regular Session, 2025, that the amendments made by this Act be harmonized with another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 4. Effective date: September 1, 2025.