

BILL ANALYSIS

Senate Research Center

H.B. 1053
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State Affairs
5-23-2003
Committee Report (Amended)

DIGEST AND PURPOSE

Identity theft may be the fastest growing crime in the nation, with 86,000 cases reported in 2001 alone. According to the Theft Data Clearinghouse, 6,496 of those were in Texas. Texas ranks 11th in the nation for identity theft, with 30.2 victims per 100,000 people. Consumers who have been victimized by identity theft may be denied housing, a loan, or even a job while they wait an average of two years for their credit record to be cleared. Theft of social security numbers is the keystone to identity theft. H.B. 1053 reduces the availability of social security numbers to unauthorized users.

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 Title 6, Civil Practice and Remedies Code, by adding Chapter 145 as follows:

CHAPTER 145. CONFIDENTIALITY OF SOCIAL SECURITY NUMBERS

Sec. 145.001. APPLICABILITY. (a) Provides that this chapter does not apply to a governmental body, as defined by Section 552.003, Government Code.

(b) Provides that this chapter does not apply to documents that are required or permitted by state or federal law to be recorded in public records; or required to be collected, used, or disclosed to the public by state or federal law.

Sec. 145.002. PROHIBITED USES. (a) Defines "publicly display."

(b) Prohibits a person from:

- (1) publicly displaying in any manner an individual's social security number;
- (2) requiring an individual to transmit a social security number over the Internet, unless the connection is secure or the social security number is encrypted;
- (3) requiring an individual to use a social security number to access an Internet website, unless a password or unique personal identification number or other authentication device is also required to access the website;
- (4) printing an individual's social security number on any card required for the individual to have access to products or services provided by the person; or
- (5) printing an individual's social security number on any materials that are mailed to the individual, unless state or federal law requires the social security

number to be printed on the document to be mailed.

(c) Provides that Subsection (b)(5) does not apply to applications or forms sent by mail, including a document sent:

- (1) as part of an application or enrollment process;
- (2) to establish, amend, or terminate an account, contract, or policy; or
- (3) to confirm the accuracy of a social security number.

Sec. 145.003. PERMITTED USES. (a) Authorizes a person to collect, use, or release a social security number for internal verification or administrative purposes.

(b) Authorizes a person who, before January 1, 2005, has used an individual's social security number in a manner prohibited by Section 145.002 to continue using that individual's social security number in the same manner if:

- (1) the use of the social security number is continuous; and
- (2) the person provides the individual with an annual disclosure, beginning January 1, 2006, informing the individual of the right to stop the use of the social security number in the manner prohibited by Section 145.002.

(c) Provides that this chapter does not apply to:

- (1) a person who collects, uses, or releases a social security number if the person is required to collect, use, or release the social security number by federal or state law, including Chapter 552, Government Code; or
- (2) an institution of higher education if the use of a social security number by the institution is regulated by Subchapter Z, Chapter 51, Education Code, or another provision of the Education Code.

Sec. 145.004. DISCONTINUANCE OF USE ON REQUEST. (a) Provides that if a person receives a written request from an individual directing the person to stop using the individual's social security number in a manner prohibited by Section 145.002, the person is required to comply with the request not later than the 30th day after the date the request is received.

(b) Prohibits the person from imposing a fee or charge for complying with the request.

Sec. 145.005. DENIAL OF SERVICES PROHIBITED. Prohibits a person from denying products or services to an individual because the individual makes a written request to discontinue use under Section 145.004.

SECTION 2. (a) Effective date: January 1, 2005.

(b) Requires an institution of higher education that is not subject to the exemption prescribed by Section 145.003(c)(2), Civil Practice and Remedies Code, as added by this Act, to begin acting in compliance with Chapter 145, Civil Practice and Remedies Code, as added by this Act, on or before September 1, 2007.

LIST OF COMMITTEE AMENDMENTS

Committee amendment No. 1:

Amend H.B. 1053, SECTION 1, Section 145.001, Civil Practice and Remedies Code, page 1, line 16, by adding new Subsection (c) to read as follows:

(c) This chapter does not apply to: (1) court records; (2) public records.