

BILL ANALYSIS

Senate Research Center
80R3141 ATP-F

H.B. 863
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Business & Commerce
4/21/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

During the 79th Legislature, Regular Session, 2005, H.B. 1130 was enacted, requiring businesses to provide a privacy policy to customers if they require the customers to disclose their Social Security numbers for a service. H.B. 1130 also exempted any businesses subject to the federal Gramm-Leach-Bliley Act (GLBA) because the GLBA included privacy protection measures. Because certified public accountants (CPAs) were included in the GLBA, they were exempt from Section 35.581 (Privacy Policy Necessary to Require Disclosure of Social Security Number), Business & Commerce Code.

In 2005, Congress exempted accountants from the GLBA because state licensure laws already required CPAs to maintain confidentiality of client information. The additional requirements were an unnecessary burden on CPAs, especially small practitioners. Because of the exemption from the GLBA, CPAs are now subject to Section 35.581 of the Business & Commerce Code.

H.B. 863 exempts certain persons holding an accountant license or affiliated with an accountant from the list of persons or entities required to adopt a policy pertaining to the disclosure of Social Security numbers.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 35.581(c), Business & Commerce Code, as added by Chapter 198, Acts of the 79th Legislature, Regular Session, 2005, to include that this section (Privacy Policy Necessary to Require Disclosure of Social Security Number) does not apply to a person subject to Section 901.457 (Accountant-Client Privilege), Occupations Code.

SECTION 2. Effective date: September 1, 2007.