

BILL ANALYSIS

Senate Research Center
80R819 CLG-D

S.B. 222
By: Ellis
Business and Commerce
2/20/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Business & Commerce Code permits a consumer to place a security freeze on the consumer's credit file if the consumer presents a written request sent by certified mail to the credit agency. The request must include proper identification and a police report. Under current law, a consumer who is a victim of identity theft must obtain a police report before requesting a security freeze on his or her consumer file.

As proposed, S.B. 222 allows a consumer to obtain a freeze on a consumer file without the requirement of a police report and authorizes a credit agency to impose a reasonable fee for the implementation of the security freeze.

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 20.034(a), Business & Commerce Code, as follows:

(a) Deletes existing text relating to the requirement that a request to a consumer reporting agency for a security freeze on a consumer file include a copy of a valid police or investigative report or complaint made under Section 32.51 (Fraudulent Use or Possession of Identifying Information), Penal Code.

SECTION 2. Amends Section 20.0385, Business & Commerce Code, as follows:

Sec. 20.0385. APPLICABILITY OF SECURITY ALERT AND SECURITY FREEZE.

(a) Creates this subsection from existing text.

(b) Specifies that the requirement under this chapter (Regulation of Consumer Credit Reporting Agencies) to place a security alert or freeze on a consumer file does not apply to certain consumer reporting agencies.

SECTION 3. Amends Section 20.04, Business & Commerce Code, as follows:

Sec. 20.04. CHARGES FOR CERTAIN DISCLOSURES OR SERVICES. (a) Authorizes a consumer reporting agency to impose a reasonable charge on a consumer for temporarily lifting or removal a security freeze. Sets forth specific amounts that a consumer reporting agency is prohibited from exceeding in charging for certain services. Makes a conforming change.

(b) Prohibits a consumer reporting agency from charging a fee for the placement, temporary lifting, or removing of a security freeze at the request of a consumer who has submitted to the consumer reporting agency a copy of a valid police report, investigative report, or a complaint involving the alleged commission of an offense under Section 32.51 (Fraudulent Use or Possession of Identifying Information), Penal Code.

SECTION 4. Repealer: Section 20.037(e) (relating to a consumer reporting agency not charging a fee for a request for removal or temporary lifting of a security freeze), Business & Commerce Code.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: upon passage or September 1, 2007.