

## **BILL ANALYSIS**

C.S.H.B. 1053  
By: Rodriguez  
State Affairs  
Committee Report (Substituted)

### **BACKGROUND 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, 6496 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. The purpose of C.S.H.B. 1053 is to minimize the availability of social security numbers to unauthorized users.

### **RULEMAKING AUTHORITY**

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, institution, department, or agency.

### **ANALYSIS**

C.S.H.B. 1053 amends Title 6, Civil Practice and Remedies Code, by adding Chapter 145 to prohibit a person, with certain exceptions, from:

- publicly displaying in any manner an individual's social security number;
- requiring an individual to transmit a social security number over the Internet, unless the connection is secure or the social security number is encrypted;
- 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;
- 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
- with certain exceptions, 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.S.H.B. 1053 provides that Chapter 145 does not apply to a governmental body, as defined by Section 552.003, Government Code, or 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.

C.S.H.B. 1053 provides, however, that a person is permitted to collect, use, or release a social security number for internal verification or administrative purposes. In addition, a person who, before January 1, 2005, has used an individual's social security number in a manner prohibited by this bill may continue to do so after the effective date of the Act if the use is continuous and the person provides the individual with an annual disclosure, beginning January 1, 2006, informing the individual of the right to stop the use. A person is required to discontinue the use of an individual's social security number within 30 days of receiving a written request from the individual to discontinue use. C.S.H.B. 1053 does not apply to 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 of the Government Code.

**EFFECTIVE DATE**

January 1, 2005.

**COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 1053 deletes the language in Section 145.001 (a) that Chapter 145 does not apply to a governmental body “except that the term includes each entity in or created by the judicial branch of state government.” The substitute also specifies certain documents sent by mail which are permitted to include an individual’s social security number. C.S.H.B. 1053 changes certain application dates for provisions of the bill, as specified in the Analysis section above. C.S.H.B. 1053 adds that this chapter does not apply to 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 of the Government Code. Finally, C.S.H.B. 1053 changes the effective date of the bill from September 1, 2003 to January 1, 2005.

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