CHAPTER 419

H.B. No. 2004

AN ACT relating to a breach of computer security involving sensitive personal information and to the protection of sensitive personal information and certain protected health information.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 521.002(a)(2), Business & Commerce Code, as effective April 1, 2009, is amended to read as follows:

(2) "Sensitive personal information" means, subject to Subsection (b):

(A) [\(\text{[4]}\) an individual's first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted:

(i) [\(\text{[4]}\) social security number;

(ii) [\(\text{[4]}\) driver's license number or government-issued identification number;

(iii) [\(\text{[4]}\) account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account; or

(B) information that identifies an individual and relates to:

(i) the physical or mental health or condition of the individual;

(ii) the provision of health care to the individual; or

(iii) payment for the provision of health care to the individual.

SECTION 2. Section 521.052, Business & Commerce Code, is amended by adding Subsection (d) to read as follows:

(d) As used in this section, "business" includes a nonprofit athletic or sports association.

SECTION 3. Section 521.053(a), Business & Commerce Code, as effective April 1, 2009, is amended to read as follows:

(a) In this section, "breach of system security" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of sensitive personal information maintained by a person, including data that is encrypted if the person accessing the data has the key required to decrypt the data. Good faith acquisition of sensitive personal information by an employee or agent of the person for the purposes of the person is not a breach of system security unless the person uses or discloses the sensitive personal information in an unauthorized manner.

SECTION 4. Subchapter F, Chapter 2054, Government Code, is amended by adding Section 2054.1125 to read as follows:

Sec. 2054.1125. SECURITY BREACH NOTIFICATION BY STATE AGENCY. (a) In this section:

(1) "Breach of system security" has the meaning assigned by Section 521.053, Business & Commerce Code.

(2) "Sensitive personal information" has the meaning assigned by Section 521.002, Business & Commerce Code.

(b) A state agency that owns, licenses, or maintains computerized data that includes sensitive personal information shall comply, in the event of a breach of system security, with
81st LEGISLATURE—REGULAR SESSION

Ch. 420, § 1

the notification requirements of Section 521.053, Business & Commerce Code, to the same extent as a person who conducts business in this state.

SECTION 5. Subchapter A, Chapter 181, Health and Safety Code, is amended by adding Section 181.006 to read as follows:

Sec. 181.006. PROTECTED HEALTH INFORMATION NOT PUBLIC. For a covered entity that is a governmental unit, an individual's protected health information:

(1) includes any information that reflects that an individual received health care from the covered entity; and

(2) is not public information and is not subject to disclosure under Chapter 552, Government Code.

SECTION 6. Chapter 205, Local Government Code, is amended by adding Section 205.010 to read as follows:

Sec. 205.010. SECURITY BREACH NOTIFICATION BY LOCAL GOVERNMENT. (a) In this section:

(1) “Breach of system security” has the meaning assigned by Section 521.053, Business & Commerce Code.

(2) “Sensitive personal information” has the meaning assigned by Section 521.002, Business & Commerce Code.

(b) A local government that owns, licenses, or maintains computerized data that includes sensitive personal information shall comply, in the event of a breach of system security, with the notification requirements of Section 521.053, Business & Commerce Code, to the same extent as a person who conducts business in this state.

SECTION 7. The changes in law made by this Act apply only to a breach of system security that occurs on or after the effective date of this Act. A breach of system security that occurs before the effective date of this Act is governed by the law in effect on the date the breach occurred, and the former law is continued in effect for that purpose.

SECTION 8. This Act takes effect September 1, 2009.

Passed by the House on April 28, 2009: Yeas 148, Nays 0, 1 present, not voting; passed by the Senate on May 21, 2009: Yeas 31, Nays 0.

Approved June 19, 2009.

Effective September 1, 2009.

CHAPTER 420

H.B. No. 2022

AN ACT

relating to the powers and duties of the Sedona Lakes Municipal Utility District No. 1 of Brazoria County; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8305 to read as follows:

CHAPTER 8305. SEDONA LAKES MUNICIPAL UTILITY DISTRICT NO. 1 OF BRAZORIA COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8305.001. DEFINITION. In this chapter, “district” means the Sedona Lakes Municipal Utility District No. 1 of Brazoria County.

1003