

BILL ANALYSIS

Senate Research Center

S.B. 60
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, credit consumers may place freezes on their credit file to prevent identity thieves from opening lines of credit in their name. Because most children have not established a credit file, they are particularly susceptible to tarnished credit histories if their identity is stolen.

This bill protects children from identity thieves by requiring credit reporting agencies, when requested by a parent, to create a credit file for a child under the age of 16 and to prohibit action on the file without parental consent.

As proposed, S.B. 60 amends current law relating to the authority of a parent or legal guardian to establish a consumer file for a child and act on the child's behalf with a consumer reporting agency.

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 Chapter 20, Business & Commerce Code, by adding Section 20.025, as follows:

Sec. 20.025. CONSUMER FILE FOR CHILD; AUTHORITY OF PARENT. (a) Defines "parent" in this section.

(b) Authorizes a parent of a child younger than 16 years of age to request a consumer reporting agency to establish a consumer file for the child.

(c) Requires a consumer reporting agency, on the request of a parent who provides proof of authority required by Subsection (d), to establish and maintain a consumer file for the child and to recognize the authority of the parent to act on the child's behalf as provided by this section.

(d) Provides that a certified copy of the child's birth certificate or court order documenting that the parent is the managing or possessory conservator or legal guardian of the person of the child, presented together with a copy of a government-issued identification issued to the parent, is acceptable proof of authority for purposes of Subsection (c) and is considered "proper identification" for any provision of this chapter, including Sections 20.031 (Requesting Security Alert) and 20.034 (Requesting Security Freeze).

(e) Provides that a parent of a child younger than 16 years of age for whom a consumer file is established under this section has the same authority to act on the child's behalf with respect to the child's consumer file as a consumer has to act on the consumer's own behalf under this chapter, including the authority to request the placement or removal of a security alert or a security freeze.

(f) Provides that a charge imposed on a consumer under Section 20.04 (Charges For Certain Disclosures or Services) is imposed on the parent of a child for whom a consumer file is established under this section.

(g) Prohibits a consumer reporting agency from recognizing the authority of an alleged parent to act on a child's behalf if the agency receives proof that a court has terminated the relationship under which the alleged parent assumes authority to act under this section.

SECTION 2. Amends Section 20.037, Business & Commerce Code, by adding Subsection (f), to require a consumer reporting agency to, on the child's 16th birthday, remove a security freeze placed on the consumer file of a child established under Section 20.025 and to notify both the parent and child in writing at least 30 days before removing the security freeze under this subsection.

SECTION 3. Amends Section 20.04(b), Business & Commerce Code, by adding Subdivision (7), to prohibit a consumer reporting agency from charging a fee for establishing and maintaining a file created under Section 20.025(c).

SECTION 4. Effective date: September 1, 2013.