

What is the Texas Information Disposal Act?

The Texas Information Disposal Act, House Bill 698 (HB 698), amends the Texas Business and Commerce Code adding document retention and disposal requirements. Specifically, it requires that business records containing personal identifying information be shredded, erased or destroyed by other means prior to disposal. The Act takes effect September 1, 2005.

Who is affected?

Any Texas business that collects personal identifying information, whether from employees or consumers. The Act applies to business records created before, on, or after the date the Act takes effect.

What does the Texas Information Disposal Act have to do with information management?

The Act addresses the final stage of the information management process: destruction. The intent is to ensure that any information that could be used to commit identity theft, including social security and other government-issued identification numbers, financial account numbers, birthdates, and e-mail addresses, is securely destroyed.

The following sections of the Act describe an organization's obligations:

698(3) (d) When a business disposes of a business record that contains personal identifying information of a customer of the business, the business shall modify, by shredding, erasing or other means, the personal identifying information to make it unreadable or undecipherable.

698(3) (e) A business is in compliance with Subsection (d) if the business contracts with a person engaged in the business of disposing of records for the modification of personal identifying information on behalf of the business in accordance with Subsection (d).

What do companies have to do to comply with the Act?

A business that does not dispose of documents according to the requirements is liable for a civil penalty of up to \$500 for each record. The Texas Attorney General may also bring action against the business, and:

698(3) (f). (1) recover the civil penalty; (2) obtain any other remedy, including injunctive relief; and (3) recover costs and reasonable attorneys' fees incurred in bringing the action.

A business that modifies its documents in good faith is not liable for a civil penalty even if the record is reconstructed, in whole or in part, by extraordinary means.

How can we help?

A business that contracts with a document destruction company is considered compliant. As you review your information management systems and policies in connection with the Texas Information Disposal Act, consider contracting Securit to handle your document destruction needs. Securit ensures that materials are destroyed, on site, by our Customer Service Representatives on our mobile shredding trucks. Documents are shredded into confetti-sized pieces, making the information virtually impossible to reconstruct. Upon completion, Securit provides a Certificate of Destruction to prove that the documents were destroyed. For peace of mind, contact Securit today at 1 800 697-4733.

For more information:

The Texas Senate Online – <http://www.capitol.state.tx.us>

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