



THE TEXAS STATE CHAMBER

TAB's purpose is to champion the best business climate in the world, unleashing the power of free enterprise to enhance lives for generations.

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September 15, 2022

Re: 87R Interim Charge - Evaluate the overall state of data privacy and online consumer protections in Texas and study the related laws and legislative efforts of other states.

Dear Chairman Turner and House Business and Industry Committee Members,

My name is Glenn Hamer, I am the President and CEO of the Texas Association of Business. As we celebrate our Centennial anniversary this year, today TAB represents over 1,500 members and over 200 chambers of commerce across Texas. TAB's core purpose is to "champion the best business climate in the world, unleashing the power of free enterprise to enhance lives for generations". We are also the state affiliate for the National Association of Manufacturers.

The business community in Texas appreciates you and your colleagues considering important issues leading up to the next legislative session, including issues surrounding data privacy and online consumer protections.

TAB, our local chamber partners, and our many members know that data privacy and online protections are top issues for employers and businesses across our state.

These are no longer "technology" issues just impacting big IT companies. Today, *every* business depends on information technology to reach and better serve customers, process payroll and HR benefits, accommodate hybrid work and disaster recovery, and make things better, faster, and cheaper for customers and workers alike.

At TAB we like to say "Technology Means Business." For all employers big and small, rural, and urban, old school and cutting edge.

The stakes for Texas consumers and employers are sky high. In 2019, after the State of California hastily passed the Consumer Privacy Act, an economic impact report prepared for the state attorney general's office predicted the new law could cost companies up to \$55 billion in initial compliance costs, or about 1.8% of California's Gross State Product.

The report suggested total compliance costs for all companies just for the California law could range from \$467 million to more than \$16 billion over the next decade. That's just one state's law.

I'd like to mention that Texas already has strong protections for student data thanks to House Bill 2087 by Representative Gary Van Deaver, which passed and was signed into law in 2017.

Texas law prohibits technology platforms from targeting advertising on any website, online service, online application, or mobile application if the target of the advertising is based on information acquired through the use of a school website or application.

Texas has outlawed using information created or gathered by educational websites and apps to create a profile about a student unless the profile is created for a school purpose.



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If a school district requests the deletion of a student's information under the control of the school district and maintained by the technology platform it must do so not later than the 60th day after the date of the request unless the student or the student's parent consents to the operator's maintenance of the covered information.

At TAB, our Technology Means Business Task Force has laid out a series of principles for data privacy consideration:

1. A data privacy standard should ensure transparency for consumers and give the consumer clear and balanced rights to control their personal information, including:
 - a. right to access personal data
 - b. right to correction and deletion of personal data; and
 - c. right to opt out of sale of personal data.
2. We believe any federal or state law should preempt other governmental entities including local governments from enacting laws that alter the way personal data is controlled or processed.
3. We strongly oppose the creation of any new private right of legal action against Texas employers and businesses.

I will close by reiterating that the Texas Association of Business represents businesses of every size and sector, and that technology impacts every single one.

If there are specific concerns, questions, or issues that members of this committee would like to discuss, the Texas Association of Business stands ready to work with you and all members of the Texas Legislature on this issue.

On behalf of the Texas Association of Business, I thank Chairman Turner and the members of this committee for addressing this important issue and allowing me to comment today.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Turner".

President & CEO
Texas Association of Business