PUBLIC MODEL LEGISLATION

Texas Data Rights Legislative Package

Personal Data Stewardship Act | Data Contributors Rights Act | Data Union Recognition Act

STATUS	Model legislation for legislative counsel review
AUTHOR	James Felton Keith for Equity Democrats
VERSION	Public edition 1.0 | November 7, 2026
PROPOSAL STATUS	Original model proposals; not introduced, enacted, endorsed, or assigned bill numbers

Purpose

This public package presents three coordinated, independently reviewable measures for state legislative counsel. Bill A establishes personal data stewardship and practical privacy rights. Bill B creates a defined economic interest in qualifying informational contributions and a licensing and compensation framework. Bill C recognizes voluntary, accountable Data Union representation.

The economic and representative rights in Bills B and C are original proposals by James Felton Keith. They are not existing law and are not provisions already supplied by New York Senate Bill S5156.

Legislative pathway

Request Texas Legislative Council drafting for the 90th Legislature in 2027. Bill A is structured as a Chapter 541 addition; Bills B and C require separate codification assignments. January 1, 2028 remains the proposed substantive effective date, subject to counsel review.

Public edition note

Recipient names, recipient-specific cover wording, election references, and private conversation context were removed. Titles, status language, source labels, and public-edition metadata were standardized. Extraction line-break hyphenation was corrected. No proposed operative provision was substantively changed.

State Fit and Legislative Memorandum

Existing framework

Business and Commerce Code Chapter 541 already supplies consumer rights and controller duties. Bill A adds stewardship and stronger permission requirements within that framework. Existing coverage, exemptions, response procedures and enforcement continue unless expressly superseded. It does not silently extend Chapter 541 to employment data.

Changes from the New York source

Bill A retains exclusive attorney general enforcement, the Chapter 541 cure process and its prohibition on private actions. It

adds affirmative permission for sale and specified secondary uses. Bills B and C deliberately create separate economic and representative rights, including private remedies outside Chapter 541.

Coverage choice

The baseline retains Chapter 541's individual or household consumer definition, small-business treatment and statutory exclusions. The economic addition has its own coverage and includes employee and contractor contributions; that expansion is stated in the proposed new act.

Justification

Data protection requires enforceable obligations after collection, not simply a one-time click. Contributors also need a lawful mechanism to establish an attributable contribution, negotiate permitted secondary exploitation, inspect an accounting and receive agreed value. Separating these measures permits legislative progress on privacy without presenting compensation or collective representation as settled existing law.

Fiscal implications

No fiscal estimate has been prepared. Potential costs include Attorney General investigations and enforcement, complaint handling, court administration and implementation guidance. Bills B and C do not establish a new agency, registry, benefit fund or appropriation. Any requested staffing or appropriation must be costed through the State's fiscal process; penalty receipts are not assumed to cover costs.

Legislative history

The source precedent is New York S5156 in the 2025-2026 session, sponsored by Leroy Comrie. This package's three proposed bills have no assigned bill numbers. No introduction, referral, fiscal estimate, endorsement or sponsor commitment is asserted.

Proposed operative language

Bill A Personal Data Stewardship

A BILL TO BE ENTITLED AN ACT relating to personal data stewardship and consumer control.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 541, Business and Commerce Code, is amended by adding Subchapter F, Personal Data Stewardship,

consisting of Sections 541.251 through 541.263. The section numbers below correspond in order to those new sections.

Section 1 Short title

This subchapter may be cited as the Texas Personal Data Stewardship Act.

Section 2 Definitions and application

The definitions, applicability provisions and exclusions in Sections 541.001 through 541.005 and Subchapter E govern this subchapter except as expressly provided herein. “Secondary exploitation” means sale, targeted advertising, disclosure for another person’s independent commercial purposes, or training a general-purpose artificial intelligence model for a purpose unrelated to the product or service the consumer requested. “Consent” has the meaning assigned by Section 541.001. “Stewardship duty” means the obligations imposed by Section 541.253; it does not transfer title to a database or create common-law bailment liability.

Bill A Coverage and Stewardship

Section 3 Stewardship duty

A controller shall exercise reasonable care over personal data entrusted to it. The duty requires data minimization, purpose limitation, proportionate security, retention limits and reasonable oversight of processors and recipients. It continues after consent and may not be waived by a general disclaimer. Compliance shall be assessed in relation to foreseeable harm, data sensitivity and reasonable safeguards. The duty imposes reasonable care, not strict liability for every security incident. This section supplements Section 541.101.

Section 4 Purpose limits and permission

A controller shall obtain consent before selling personal data, using it for targeted advertising, disclosing it for an independent third party’s commercial use, or training a general-purpose artificial intelligence model for a purpose unrelated to the requested product or service. Permission must identify the purposes, data categories and recipient categories. These duties apply notwithstanding any permission for internal research or product improvement that would otherwise excuse such secondary exploitation under Section 541.202. Necessary service delivery, proportionate fraud prevention, security and legal compliance remain permitted; those exceptions do not authorize unrelated monetization.

Section 5 Withdrawal and sensitive data

Withdrawal shall be as accessible as consent and shall stop future consent-dependent processing within 15 days. A controller shall give relevant processors and recipients prompt notice. Consent to processing sensitive data must be distinct from general consent. Sensitive data includes biometric identifiers, precise location, health information, account credentials and data of a known child under 13. A parent or legal guardian may act for such a child, consistently with federal law. This provision does not reduce stronger existing age-specific protections. Withdrawal does not invalidate completed lawful processing or excuse payment obligations already incurred.

Bill A Individual Rights and Delivery

Section 6 Notice and records

Before collecting personal data, a controller shall provide a plain-language notice stating data categories, purposes, sources, retention periods or criteria, recipient categories, secondary exploitation practices and methods to exercise rights. A materially new secondary purpose requires a new notice and consent. The controller shall keep proportionate records of consent, withdrawal, disclosures and request handling for three years. This requirement does not authorize unnecessary retention of underlying personal data. A processor shall keep a written agreement limiting use to instructions, imposing security and confidentiality, requiring assistance with rights requests and flowing those restrictions to subprocessors.

Section 7 Access correction deletion and portability

The rights and procedures in Subchapter B continue to apply. In addition, on an authenticated request, a controller shall disclose specific downstream recipients, the categories disclosed to each and the purposes of the disclosure during the preceding 12 months, where maintained or reasonably ascertainable. The controller need not create an identity link it does not maintain. A controller shall use proportionate identity verification and may redact another person's information. It shall explain any refusal and provide a means to challenge it. No provision requires disclosure of authentication secrets, legally privileged material or another person's protected data. Deletion must be transmitted to processors and recipients subject to binding agreements, with reasonable follow-up and an explanation of any lawful retention.

Section 8 Requests and authorized agents

Sections 541.052, 541.053 and 541.055 govern timing, authentication and appeals. Notwithstanding any narrower delegation rule in Section 541.055, a consumer may designate an agent for any right created by this subchapter; existing opt-out signal rights are preserved. An agent shall present specific, revocable authority. A controller may verify the resident and authority using reasonable means, but may not demand unrelated information or require a new account. Agents may receive only information within their authority and must safeguard it. Exercise of a right may not be conditioned on purchasing representation.

Bill A Safeguards and Enforcement

Section 9 Permitted retention and protected activity

A controller may retain or process data only to the extent reasonably necessary for a legal obligation, a requested transaction, security, fraud prevention, protection of life or the exercise or defense of legal claims. Retained data shall be segregated and restricted from unrelated use. This act does not prohibit constitutionally protected journalism, public-interest research conducted with independent ethical oversight and safeguards, or other protected expression. It does not require deletion from immutable backups before the ordinary deletion cycle, provided data is isolated from use and deleted upon restoration or rotation. A controller invoking an exception shall document its necessity. An exception is not a blanket authorization to market, sell or train unrelated commercial models.

Section 10 Relationship to other law

Sections 541.002 through 541.005 and 541.201 remain applicable except for the express secondary-exploitation override in Section 541.254. Chapter 503 and other stronger data protections remain enforceable. No person may retaliate for exercising these rights. A payment for an optional data license must not purchase waiver of privacy, security or remedies. A contract term prospectively waiving these statutory protections is unenforceable to the extent permitted by federal law.

Section 11 Enforcement

Subchapter D applies to this subchapter, including exclusive attorney general authority, investigative powers, the notice and cure process, civil penalties and the prohibition on a private right of action. Nothing in this subchapter creates a misdemeanor, a royalty or an independent private cause of action.

Section 12 Construction and severability

This act creates no universal dividend and no compulsory transfer of title to information systems. Remedies may not duplicate recovery for the same loss. If a provision or application is held invalid, the remaining provisions and lawful applications remain effective. No provision governs conduct beyond this State's lawful regulatory authority.

Section 13 Implementation and effective date

This subchapter applies to processing on or after January 1, 2028, including processing previously collected data, without imposing liability for completed pre-effective conduct.

SECTION 2. This Act takes effect January 1, 2028.

Separate proposed bill beyond the Comrie baseline

Bill B Data Contributors Rights

AN ACT to recognize a statutory economic interest in qualifying informational contributions and to provide for licensing,

accounting, compensation and remedies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1 Short title

This act may be cited as the Texas Data Contributors Rights Act. It is a separate enactment and does not depend on enactment of the Personal Data Stewardship Act or the Data Union Recognition Act.

Section 2 Definitions

“Contributor” means a living resident whose activity, judgment, corrections, observations or other participation supplies a qualifying informational contribution, including in consumer, employment or contracting settings. “Qualifying contribution” means a documented contribution of nonpublic information that is traceable to a contributor or a defined contributor group and materially used in covered secondary exploitation. A person does not become a contributor merely because a record mentions that person. “Covered secondary exploitation” means selling or licensing a qualifying contribution to another person, using it to train a commercially supplied general-purpose model, or supplying a commercial dataset incorporating that contribution. It excludes routine service delivery, necessary employment administration, security, legal compliance and ordinary internal operational improvement unconnected to those activities.

Section 3 Covered enterprises

This act applies to a for-profit enterprise doing business in this State or deliberately offering products or services to residents that has annual gross revenue exceeding $50 million, commercially exploits qualifying contributions of at least 50,000 resident contributors per year, or sells contributed data as a data broker without a direct relationship to the contributors. Processor liability arises only for its own independent exploitation or violation of an express duty. Governmental bodies, tribal governments and public institutions are excluded; their commercial vendors are not excluded solely by that relationship. Transactions must have a sufficient nexus to this State. These provisions are independent of Chapter 541, Business and Commerce Code, and do not enlarge the definition of consumer within that chapter.

Bill B Licensing and Compensation

Section 4 Statutory economic interest

A contributor has a personal, nonexclusive statutory interest in authorizing covered secondary exploitation of the contributor’s qualifying contribution, receiving the compensation due under this act, obtaining a sufficient accounting and appointing an agent. That interest does not grant title to an entire database, algorithm, model or employer asset, or ownership of another person’s records. Transfer of a copy, wages for ordinary work, access to a service, or a general assignment of intellectual property does not alone establish a separately informed authorization or payment for covered secondary exploitation. Existing specific agreements remain enforceable to the extent consistent with federal law and this act’s prospective operation.

Section 5 License before exploitation

Before commencing covered secondary exploitation, an enterprise shall give at least 30 days’ plain-language notice and obtain a separate written or electronic license from the contributor or a specifically authorized representative. The license shall identify the contribution or ascertainable group, permitted purposes, duration, recipients, compensation, accounting method, termination conditions and any agreed treatment of existing derivative uses. A contributor may decline without retaliation affecting unrelated services or employment. A license cannot authorize disclosure of patient, customer, coworker or other thirdparty information contrary to law. No representative may license rights the contributor does not possess. Consent under a privacy statute alone does not constitute the economic license required here.

Section 6 Compensation and accounting

The license shall provide compensation that is fair and reasonable in relation to the demonstrated contribution to covered secondary exploitation. It may use a fixed fee, recurring payment, revenue share or another clearly stated method, with individual payments or voluntary collective benefits separately disclosed. An enterprise shall deliver at least annual statements of covered uses, the agreed calculation and amounts due, and pay undisputed sums within 60 days after the accounting period. No statute-wide royalty percentage is established. A contributor's separately informed agreement may allocate a disclosed part of proceeds to collective administration or benefits; it may not eliminate that contributor's accounting rights or conceal fees. A dispute about amount does not authorize exploitation without a license.

Bill B Evidence and Remedies

Section 7 Provenance and audit

An enterprise shall retain proportionate evidence of contribution sources, licenses, covered uses and payment calculations for six years after the relevant use or final payment, whichever is later. Pseudonymous contributor identifiers and group-level evidence may be used. No person shall reidentify protected data merely to manufacture a claim. Deidentification after a contribution is documented does not extinguish an accrued payment obligation; the obligation may be accounted for through protected provenance records. At reasonable intervals, a contributor may obtain relevant records through a qualified independent auditor bound by confidentiality. Trade secrets may be protected through summaries, restricted auditor access or a court protective order, rather than a blanket denial of an accounting. No right to another person's raw personal information is created.

Section 8 Enforcement and valuation

A contributor may sue in the district court for unpaid compensation, actual loss, declaratory or injunctive relief, an accounting and reasonable fees and costs if successful. For unlicensed covered exploitation, the court may order cessation and reasonable compensation for the proven use; payment does not retroactively supply consent. The claimant must prove a qualifying contribution and covered use. Valuation shall consider negotiated comparables, causal evidence, attributable proceeds and other productive inputs; it shall not presume that all enterprise revenue is attributable to data or that a name in a record proves contribution. Willful destruction of required evidence is subject to ordinary evidentiary sanctions. Actions must be filed within four years after discovery, or when reasonable diligence would reveal the violation, and no later than six years after the conduct. The Attorney General may enforce this act through civil investigation, injunctions and restitution. No duplicate recovery is permitted. Chapter 541's restriction on actions for Chapter 541 violations does not bar this act's independent claims; a violation of Chapter 541 alone is not actionable under this act.

Section 9 Federal law and commencement

This act does not create rights equivalent to federal copyright, alter patent ownership, authorize antitrust violations, supersede an exclusive labor representative, displace an applicable collective bargaining agreement or regulate matters preempted by federal labor law. It does not authorize disclosure prohibited by privacy or professional confidentiality law. Lawful licenses executed before the effective date remain governed by their terms; materially new exploitation after expiration or expansion is subject to this act. Prospective waiver through unrelated general terms is unenforceable to the extent permitted by federal law. Invalid provisions and applications are severable. This act takes effect January 1, 2028 and imposes no liability for completed earlier conduct.

Separate proposed bill beyond the Comrie baseline

Bill C Data Union Recognition

AN ACT to recognize voluntary data rights representatives, protect members and require accountable administration of

delegated rights.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1 Short title and independence

This act may be cited as the Texas Data Union Recognition Act. It is independently operative. It authorizes collective administration only of rights that exist under applicable law or a valid agreement and does not itself create a royalty or property interest in another person's data.

Section 2 Definitions and designation

"Member" means a living resident who voluntarily designates a representative. "Data Union" means a nonprofit membership corporation, cooperative, trust, labor-affiliated entity or other lawful fiduciary organization that administers specifically delegated data rights for members. "Enterprise" means a commercial person doing business in this State or deliberately offering products or services to residents. Governmental bodies and tribal governments are excluded. A member may designate a Data Union by a specific, revocable written or electronic instrument stating its scope, duration, powers, fees, permitted disclosures and method of withdrawal. Designation is voluntary and may not be a condition of employment, an unrelated service or access to statutory privacy rights.

Section 3 Recognition and limits of authority

On receiving reasonable proof of identity and authority, an enterprise shall recognize a Data Union as agent for the members and rights specified. An enterprise shall process properly authenticated member requests and give the representative a reasoned response to a licensing proposal within 45 days. It is not required to accept a proposal or conclude a license. Batch requests shall preserve member-level authentication and confidentiality. Recognition does not make the Data Union an exclusive employment representative, authorize unlicensed legal practice, or supply a member's missing legal right. An enterprise may not insist upon repetitive direct individual requests solely to frustrate valid delegation. This act does not amend a consumer statute to permit delegation that federal law prohibits.

Bill C Governance and Member Protection

Section 4 Fiduciary governance

A Data Union owes members duties of loyalty, reasonable care, confidentiality and accurate accounting. It shall adopt accessible governing rules; disclose material conflicts, funding, fees and allocation methods; provide fair procedures to elect or replace its governing body; and maintain a member complaint process. It shall keep member money separate from its operating money, maintain proportionate security, minimize retained information and prohibit unauthorized secondary use. No organization receives a statutory monopoly. A labor organization may establish a separately accounted-for data representation program consistent with its governing law; this act does not alter its existing statutory status.

Section 5 Agreements payments and withdrawal

A Data Union may negotiate only within the written authority received. A material license, fee change or allocation of proceeds to collective benefits requires approval by each affected member or a clearly disclosed voting procedure that each affected member specifically authorized in advance. No vote may waive nondelegable personal rights or bind nonmembers. Each member shall receive an annual statement of gross proceeds, deductions, benefits and amounts payable. Undisputed net amounts shall be distributed within 60 days after receipt, subject to a member-approved disclosed reserve. Withdrawal is effective within 15 days for new actions. Existing valid licenses survive only to the extent specifically authorized when made; revocable privacy permissions remain revocable. Accrued payments remain due. Undeliverable payments are handled under applicable unclaimed-property law, not forfeited to the representative.

Section 6 Enforcement and legal boundaries

A member may sue in the district court for an accounting, actual damages, restitution, declaratory or injunctive relief and reasonable fees and costs if successful. The Attorney General may investigate and seek injunctions and restitution for violations by a representative or enterprise. Claims must be brought within four years after discovery or reasonable discoverability and no later than six years after the conduct. A Data Union may litigate members' claims only through licensed counsel and only where applicable standing, assignment and procedural rules permit; this act creates no automatic class certification. No antitrust immunity is conferred, and designation does not legalize collective pricing otherwise prohibited by federal law. Nothing displaces federal labor law, an exclusive bargaining representative, an applicable collective agreement, or stronger privacy law. Chapter 541 does not bar an independent claim for violating this act; Chapter 541 violations alone do not support such a claim.

Section 7 Severability and effective date

Invalid provisions and applications are severable. This act takes effect January 1, 2028 and applies to designations, representative actions and enterprise responses on or after that date. Preexisting licenses are not retroactively impaired, and this act imposes no liability for completed earlier conduct.

Legislative Counsel Review and Sources

Instructions for official drafting

Confirm current law, section availability, session rules and any late-2026 enactments before introduction. Assign official bill numbers and codification. Preserve separate enactments unless the requesting office chooses an integrated bill. Review the prospective treatment of existing contracts, privacy and sector exceptions, constitutional standing and State territorial nexus. Obtain the appropriate fiscal analysis and amend cross-references throughout any existing law affected.

Economic and representation review

Bill B's compulsory consent and compensation architecture requires substantive federal copyright and labor preemption analysis; a savings clause alone does not resolve those questions. Bill C creates voluntary agency, not antitrust immunity or a competing exclusive employment bargaining system. Counsel should assess the actual business and membership arrangements before introducing those measures. The draft deliberately includes employment contributions only in the scopes stated; privacy, patient confidentiality and third-party rights remain controlling.

Source register

Official statutory and bill references checked November 7, 2026. These sources establish current law, introduced-bill status, drafting routes, and federal review questions. They do not establish endorsement of these model proposals.

New York Senate S5156, 2025-2026
Texas Business and Commerce Code Chapter 541
Texas Legislative Council Drafting Manual
Federal copyright preemption, 17 USC 301
National Labor Relations Board, collective bargaining rights