HB0208/117473/1

BY: Finance Committee

<u>AMENDMENTS TO HOUSE BILL 208</u>
(Third Reading File Bill)

<u>AMENDMENT NO. 1</u>

On page 1, in line 11, after "to" insert "<u>conduct a certain investigation and</u>"; and in line 14, after "manner;" insert "<u>requiring certain businesses to retain certain records for a certain period of time under certain circumstances;</u>".

<u>AMENDMENT NO. 2</u>

On page 3, in line 18, after "**ACCOUNT;**" insert "**OR**"; and strike beginning with "**; OR**" in line 20 down through "**NUMBER**" in line 21.

<u>AMENDMENT NO. 3</u>

On pages 5 and 6, strike in their entirety the lines beginning with line 29 on page 5 through line 15 on page 6, inclusive, and substitute:

"**(B)**   **(1)**   **A BUSINESS THAT OWNS OR LICENSES COMPUTERIZED DATA THAT INCLUDES PERSONAL INFORMATION OF AN INDIVIDUAL RESIDING IN THE STATE, WHEN IT DISCOVERS OR IS NOTIFIED OF A BREACH OF THE SECURITY OF A SYSTEM, SHALL CONDUCT IN GOOD FAITH A REASONABLE AND PROMPT INVESTIGATION TO DETERMINE THE LIKELIHOOD THAT PERSONAL INFORMATION OF THE INDIVIDUAL HAS BEEN OR WILL BE MISUSED AS A RESULT OF THE BREACH.**

(2)   **IF AFTER THE INVESTIGATION IS CONCLUDED, THE BUSINESS DETERMINES THAT MISUSE OF THE INDIVIDUAL'S PERSONAL INFORMATION HAS OCCURRED OR IS REASONABLY LIKELY TO OCCUR AS A RESULT OF A BREACH OF THE SECURITY OF A SYSTEM, THE BUSINESS SHALL NOTIFY THE INDIVIDUAL OF THE BREACH.**".

On page 6, in line 16, strike "**(2)**" and substitute "**(3)**"; in line 17, strike "**(1)**" and substitute "**(2)**"; strike beginning with "**DISCOVERS**" in line 20 down through "**SYSTEM**" in line 21 and substitute "**CONDUCTS THE INVESTIGATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION**"; after line 21, insert:

"**(4)   IF AFTER THE INVESTIGATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS CONCLUDED, THE BUSINESS DETERMINES THAT NOTIFICATION UNDER PARAGRAPH (2) OF THIS SUBSECTION IS NOT REQUIRED, THE BUSINESS SHALL MAINTAIN RECORDS THAT REFLECT ITS DETERMINATION FOR 3 YEARS AFTER THE DETERMINATION IS MADE.**";

in line 25, after "**SYSTEM**" insert "**IF IT IS LIKELY THAT THE BREACH HAS RESULTED OR WILL RESULT IN THE MISUSE OF PERSONAL INFORMATION OF AN INDIVIDUAL RESIDING IN THE STATE**";

and after line 32, insert:

"**(3)   A BUSINESS THAT IS REQUIRED TO NOTIFY AN OWNER OR LICENSEE OF PERSONAL INFORMATION OF A BREACH OF THE SECURITY OF A SYSTEM UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL SHARE WITH THE OWNER OR LICENSEE INFORMATION RELATIVE TO THE BREACH.**".

AMENDMENT NO. 4
On page 7, strike beginning with the first "**NOTICE**" in line 18 down through "**7001**" in line 20 and substitute "**MAIL TO THE MOST RECENT ELECTRONIC MAIL ADDRESS OF THE INDIVIDUAL IN THE RECORDS OF THE BUSINESS, IF:**

(I)   THE INDIVIDUAL HAS EXPRESSLY CONSENTED TO RECEIVE ELECTRONIC NOTICE; OR

    (II) **THE BUSINESS CONDUCTS ITS BUSINESS PRIMARILY THROUGH INTERNET ACCOUNT TRANSACTIONS OR THE INTERNET**";

in line 26, strike "**$125,000**" and substitute "**$100,000**"; and in line 27, strike "**250,000**" and substitute "**175,000**".

AMENDMENT NO. 5
  On page 8, in line 10, strike "**SUBSECTIONS**" and substitute "**SUBSECTION**"; and in the same line, strike "**AND (C)**".

  On page 9, in line 2, strike "**SUBSECTIONS**" and substitute "**SUBSECTION**"; and in the same line, strike "**AND (C)**".