

# SENATE BILL 194

I3, P1

(7lr1670)

## **ENROLLED BILL**

— *Finance/Economic Matters* —

Introduced by **Senators Kelley, Astle, Garagiola, Klausmeier, and Middleton**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Consumer Protection – Personal Information Protection Act**

3 FOR the purpose of requiring a certain business, when destroying a customer's records  
4 that contain certain personal information of the customer, to take certain steps  
5 to protect against unauthorized access to or use of the personal information  
6 under certain circumstances; requiring a certain business that owns or licenses  
7 certain personal information of an individual residing in the State to implement  
8 and maintain certain security procedures and practices under certain  
9 circumstances; requiring certain businesses that own, license, or maintain  
10 computerized data that includes certain personal information of an individual  
11 residing in the State to conduct a certain investigation and notify certain

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber / conference committee amendments.*



1 persons of a breach of the security of a system under certain circumstances;  
 2 specifying the time at which notification must be given; *specifying the contents*  
 3 *of the notification*; authorizing notification to be given in a certain manner;  
 4 *requiring certain businesses to retain certain records for a certain period of time*  
 5 *under certain circumstances*; providing that a waiver of certain provisions of this  
 6 Act is contrary to public policy and is void and unenforceable; providing that  
 7 compliance with certain provisions of this Act does not relieve a certain business  
 8 from a duty to comply with certain other requirements of federal law; providing  
 9 that the provisions of this Act are exclusive and shall preempt any provision of  
 10 local law; requiring a business to report to certain consumer reporting agencies  
 11 on the breach of the security of a system under certain circumstances; *requiring*  
 12 *a business to provide notice of a breach of the security of a system to the Office of*  
 13 *the Attorney General prior to giving a certain notification*; providing that certain  
 14 businesses and affiliates shall be deemed to be in compliance with the  
 15 requirements of this Act under certain circumstances; providing that a violation  
 16 of this Act is an unfair or deceptive trade practice within the meaning of the  
 17 Maryland Consumer Protection Act and is subject to certain enforcement and  
 18 penalty provisions; defining certain terms; providing for a delayed effective  
 19 date; and generally relating to the protection of personal information contained  
 20 in the records of businesses, owned or licensed by businesses, or included in  
 21 computerized data owned, licensed, or maintained by businesses.

22 BY adding to

23 Article – Commercial Law

24 Section 14–3501 through 14–3508 to be under the new subtitle “Subtitle 35.  
 25 Maryland Personal Information Protection Act”

26 Annotated Code of Maryland

27 (2005 Replacement Volume and 2006 Supplement)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 29 MARYLAND, That the Laws of Maryland read as follows:

30 **Article – Commercial Law**

31 **SUBTITLE 35. MARYLAND PERSONAL INFORMATION PROTECTION ACT.**

32 **14–3501.**

33 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 34 INDICATED.

1 (B) (1) “BUSINESS” MEANS A SOLE PROPRIETORSHIP, PARTNERSHIP,  
2 CORPORATION, ASSOCIATION, OR ANY OTHER BUSINESS ENTITY, WHETHER OR  
3 NOT ORGANIZED TO OPERATE AT A PROFIT.

4 (2) “BUSINESS” INCLUDES A FINANCIAL INSTITUTION  
5 ORGANIZED, CHARTERED, LICENSED, OR OTHERWISE AUTHORIZED UNDER THE  
6 LAWS OF THIS STATE, ANY OTHER STATE, THE UNITED STATES, OR ANY OTHER  
7 COUNTRY, AND THE PARENT OR SUBSIDIARY OF A FINANCIAL INSTITUTION.

8 ~~(3) “BUSINESS” DOES NOT INCLUDE AN ENTITY THAT HAS AN~~  
9 ~~ANNUAL GROSS INCOME OF LESS THAN \$1,000,000.~~

10 (C) “ENCRYPTED” MEANS THE TRANSFORMATION OF DATA THROUGH  
11 THE USE OF AN ALGORITHMIC PROCESS INTO A FORM IN WHICH THERE IS A LOW  
12 PROBABILITY OF ASSIGNING MEANING WITHOUT USE OF A CONFIDENTIAL  
13 PROCESS OR KEY.

14 ~~(C)~~ (D) (1) “PERSONAL INFORMATION” MEANS AN INDIVIDUAL’S  
15 FIRST NAME OR FIRST INITIAL AND LAST NAME IN COMBINATION WITH ANY ONE  
16 OR MORE OF THE FOLLOWING DATA ELEMENTS, WHEN THE NAME OR THE DATA  
17 ELEMENTS ARE NOT ENCRYPTED, REDACTED, OR OTHERWISE PROTECTED BY  
18 ANOTHER METHOD THAT RENDERS THE INFORMATION UNREADABLE OR  
19 UNUSABLE:

20 (I) A SOCIAL SECURITY NUMBER;

21 (II) A DRIVER’S LICENSE NUMBER; ~~OR~~

22 (III) A FINANCIAL ACCOUNT NUMBER, INCLUDING A CREDIT  
23 CARD NUMBER OR DEBIT CARD NUMBER, THAT IN COMBINATION WITH ANY  
24 REQUIRED SECURITY CODE, ACCESS CODE, OR PASSWORD, WOULD PERMIT  
25 ACCESS TO AN INDIVIDUAL’S FINANCIAL ACCOUNT; OR

26 (IV) AN INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER;  
27 ~~OR~~

28 ~~(IV) A CONSUMER REPORT, AS DEFINED IN § 14-1201 OF~~  
29 ~~THIS TITLE.~~

30 (2) “PERSONAL INFORMATION” DOES NOT INCLUDE:

1 (I) PUBLICLY AVAILABLE INFORMATION THAT IS  
2 LAWFULLY MADE AVAILABLE TO THE GENERAL PUBLIC FROM FEDERAL, STATE,  
3 OR LOCAL GOVERNMENT RECORDS;

4 (II) INFORMATION THAT AN INDIVIDUAL HAS CONSENTED  
5 TO HAVE PUBLICLY DISSEMINATED OR LISTED; OR

6 (III) INFORMATION THAT IS DISSEMINATED OR LISTED IN  
7 ACCORDANCE WITH THE FEDERAL HEALTH INSURANCE PORTABILITY AND  
8 ACCOUNTABILITY ACT.

9 ~~(D)~~ (E) "RECORDS" MEANS INFORMATION THAT IS INSCRIBED ON A  
10 TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR OTHER MEDIUM  
11 AND IS RETRIEVABLE IN PERCEIVABLE FORM.

12 **14-3502.**

13 (A) IN THIS SECTION, "CUSTOMER" MEANS AN INDIVIDUAL RESIDING IN  
14 THE STATE WHO PROVIDES PERSONAL INFORMATION TO A BUSINESS FOR THE  
15 PURPOSE OF PURCHASING OR LEASING A PRODUCT OR OBTAINING A SERVICE  
16 FROM THE BUSINESS.

17 (B) WHEN A BUSINESS IS DESTROYING A CUSTOMER'S RECORDS THAT  
18 CONTAIN PERSONAL INFORMATION OF THE CUSTOMER, THE BUSINESS SHALL  
19 TAKE REASONABLE STEPS TO PROTECT AGAINST UNAUTHORIZED ACCESS TO OR  
20 USE OF THE PERSONAL INFORMATION, TAKING INTO ACCOUNT:

21 (1) THE SENSITIVITY OF THE RECORDS;

22 (2) THE NATURE AND SIZE OF THE BUSINESS AND ITS  
23 OPERATIONS;

24 (3) THE COSTS AND BENEFITS OF DIFFERENT DESTRUCTION  
25 METHODS; AND

26 (4) AVAILABLE TECHNOLOGY.

27 **14-3503.**

1           (A) TO PROTECT PERSONAL INFORMATION FROM UNAUTHORIZED  
2 ACCESS, USE, MODIFICATION, OR DISCLOSURE, A BUSINESS THAT OWNS OR  
3 LICENSES PERSONAL INFORMATION OF AN INDIVIDUAL RESIDING IN THE STATE  
4 SHALL IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES AND  
5 PRACTICES THAT ARE APPROPRIATE TO THE NATURE OF THE PERSONAL  
6 INFORMATION OWNED OR LICENSED AND THE NATURE AND SIZE OF THE  
7 BUSINESS AND ITS OPERATIONS.

8           (B) (1) A BUSINESS THAT USES A NONAFFILIATED THIRD PARTY AS A  
9 SERVICE PROVIDER TO PERFORM SERVICES FOR THE BUSINESS AND DISCLOSES  
10 PERSONAL INFORMATION ABOUT AN INDIVIDUAL RESIDING IN THE STATE  
11 UNDER A WRITTEN CONTRACT WITH THE THIRD PARTY SHALL REQUIRE BY  
12 CONTRACT THAT THE THIRD PARTY IMPLEMENT AND MAINTAIN REASONABLE  
13 SECURITY PROCEDURES AND PRACTICES THAT:

14                       (I) ARE APPROPRIATE TO THE NATURE OF THE PERSONAL  
15 INFORMATION DISCLOSED TO THE NONAFFILIATED THIRD PARTY; AND

16                       (II) ARE REASONABLY DESIGNED TO HELP PROTECT THE  
17 PERSONAL INFORMATION FROM UNAUTHORIZED ACCESS, USE, MODIFICATION,  
18 DISCLOSURE, OR DESTRUCTION.

19           (2) THIS SUBSECTION SHALL APPLY TO A WRITTEN CONTRACT  
20 THAT IS ENTERED INTO ON OR AFTER JANUARY 1, 2009.

21 **14-3504.**

22           (A) IN THIS SECTION:

23                       (1) "BREACH OF THE SECURITY OF A SYSTEM" MEANS THE  
24 UNAUTHORIZED ACQUISITION OF COMPUTERIZED DATA THAT COMPROMISES  
25 THE SECURITY, CONFIDENTIALITY, OR INTEGRITY OF THE PERSONAL  
26 INFORMATION MAINTAINED BY A BUSINESS ~~AND WILL LIKELY RESULT IN A~~  
27 ~~MATERIAL RISK OF IDENTITY THEFT;~~ AND

28                       (2) "BREACH OF THE SECURITY OF A SYSTEM" DOES NOT  
29 INCLUDE THE GOOD FAITH ACQUISITION OF PERSONAL INFORMATION BY AN  
30 EMPLOYEE OR AGENT OF A BUSINESS FOR THE PURPOSES OF THE BUSINESS,  
31 PROVIDED THAT:

1           ~~(I) THE~~ THE PERSONAL INFORMATION IS NOT USED OR  
2 SUBJECT TO FURTHER UNAUTHORIZED DISCLOSURE;~~AND~~

3           ~~(H) IT IS NOT LIKELY THAT THE ACQUISITION WILL RESULT~~  
4 ~~IN A MATERIAL RISK OF IDENTITY THEFT.~~

5           (B) (1) A BUSINESS THAT OWNS OR LICENSES COMPUTERIZED DATA  
6 THAT INCLUDES PERSONAL INFORMATION OF AN INDIVIDUAL RESIDING IN THE  
7 STATE, WHEN IT DISCOVERS OR IS NOTIFIED OF A BREACH OF THE SECURITY OF  
8 A SYSTEM, SHALL CONDUCT IN GOOD FAITH A REASONABLE AND PROMPT  
9 INVESTIGATION TO DETERMINE THE LIKELIHOOD THAT ~~THE BREACH WILL~~  
10 ~~RESULT IN A MATERIAL RISK OF IDENTITY THEFT~~ PERSONAL INFORMATION OF  
11 THE INDIVIDUAL HAS BEEN OR WILL BE MISUSED AS A RESULT OF THE BREACH.

12           (2) IF, AFTER THE INVESTIGATION IS CONCLUDED, THE BUSINESS  
13 ~~REASONABLY BELIEVES DETERMINES THAT THE BREACH OF THE SECURITY OF A~~  
14 ~~SYSTEM HAS RESULTED OR WILL RESULT IN A MATERIAL RISK OF IDENTITY~~  
15 ~~THEFT OF PERSONAL INFORMATION OF AN INDIVIDUAL RESIDING IN THE STATE~~  
16 MISUSE OF THE INDIVIDUAL'S PERSONAL INFORMATION HAS OCCURRED OR IS  
17 REASONABLY LIKELY TO OCCUR AS A RESULT OF A BREACH OF THE SECURITY OF  
18 A SYSTEM, THE BUSINESS SHALL NOTIFY THE INDIVIDUAL OF THE BREACH.

19           (3) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,  
20 THE NOTIFICATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION  
21 SHALL BE GIVEN AS SOON AS REASONABLY PRACTICABLE AFTER THE BUSINESS  
22 CONDUCTS THE INVESTIGATION REQUIRED UNDER PARAGRAPH (1) OF THIS  
23 SUBSECTION.

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

29           (C) (1) A BUSINESS THAT MAINTAINS COMPUTERIZED DATA THAT  
30 INCLUDES PERSONAL INFORMATION THAT THE BUSINESS DOES NOT OWN OR  
31 LICENSE SHALL NOTIFY THE OWNER OR LICENSEE OF THE PERSONAL  
32 INFORMATION OF A BREACH OF THE SECURITY OF A SYSTEM IF IT IS LIKELY  
33 THAT THE BREACH HAS RESULTED OR WILL RESULT IN ~~A MATERIAL RISK OF~~

1 ~~IDENTITY THEFT~~ THE MISUSE OF PERSONAL INFORMATION OF AN INDIVIDUAL  
2 RESIDING IN THE STATE.

3 (2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,  
4 THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION  
5 SHALL BE GIVEN AS SOON AS REASONABLY PRACTICABLE AFTER THE BUSINESS  
6 DISCOVERS OR IS NOTIFIED OF THE BREACH OF THE SECURITY OF A SYSTEM.

7 (3) A BUSINESS THAT IS REQUIRED TO NOTIFY AN OWNER OR  
8 LICENSEE OF PERSONAL INFORMATION OF A BREACH OF THE SECURITY OF A  
9 SYSTEM UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL SHARE WITH THE  
10 OWNER OR LICENSEE INFORMATION RELEVANT TO THE BREACH.

11 (D) (1) THE NOTIFICATION REQUIRED UNDER SUBSECTIONS (B) AND  
12 (C) OF THIS SECTION MAY BE DELAYED:

13 (I) IF A LAW ENFORCEMENT AGENCY DETERMINES THAT  
14 THE NOTIFICATION WILL IMPEDE A CRIMINAL INVESTIGATION OR JEOPARDIZE  
15 HOMELAND OR NATIONAL SECURITY; OR

16 (II) TO DETERMINE THE SCOPE OF THE BREACH OF THE  
17 SECURITY OF A SYSTEM, IDENTIFY THE INDIVIDUALS AFFECTED, OR RESTORE  
18 THE INTEGRITY OF THE SYSTEM.

19 (2) IF NOTIFICATION IS DELAYED UNDER PARAGRAPH (1)(I) OF  
20 THIS SUBSECTION, NOTIFICATION SHALL BE GIVEN AS SOON AS REASONABLY  
21 PRACTICABLE AFTER THE LAW ENFORCEMENT AGENCY DETERMINES THAT IT  
22 WILL NOT IMPEDE A CRIMINAL INVESTIGATION AND WILL NOT JEOPARDIZE  
23 HOMELAND OR NATIONAL SECURITY.

24 (E) THE NOTIFICATION REQUIRED UNDER SUBSECTIONS (B) AND (C) OF  
25 THIS SECTION MAY BE GIVEN:

26 (1) BY WRITTEN NOTICE SENT TO THE MOST RECENT ADDRESS OF  
27 THE INDIVIDUAL IN THE RECORDS OF THE BUSINESS;

28 (2) BY ELECTRONIC NOTICE, ~~IF THE ELECTRONIC NOTICE IS~~  
29 ~~CONSISTENT WITH THE REQUIREMENTS FOR ELECTRONIC RECORDS AND~~  
30 ~~SIGNATURES UNDER 15 U.S.C. § 7001~~ MAIL TO THE MOST RECENT ELECTRONIC  
31 MAIL ADDRESS OF THE INDIVIDUAL IN THE RECORDS OF THE BUSINESS, IF:

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

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

5                   **(3) BY TELEPHONIC NOTICE, TO THE MOST RECENT TELEPHONE**  
6 **NUMBER OF THE INDIVIDUAL IN THE RECORDS OF THE BUSINESS; OR**

7                   **(4) BY SUBSTITUTE NOTICE AS PROVIDED IN SUBSECTION (F) OF**  
8 **THIS SECTION, IF:**

9                   **(I) THE BUSINESS DEMONSTRATES THAT THE COST OF**  
10 **PROVIDING NOTICE WOULD EXCEED ~~\$25,000~~ \$100,000 OR THAT THE AFFECTED**  
11 **CLASS OF INDIVIDUALS TO BE NOTIFIED EXCEEDS ~~50,000~~ 175,000; OR**

12                   **(II) THE BUSINESS DOES NOT HAVE SUFFICIENT CONTACT**  
13 **INFORMATION TO GIVE NOTICE IN ACCORDANCE WITH ITEM (1), (2), OR (3) OF**  
14 **THIS SUBSECTION.**

15                   **(F) SUBSTITUTE NOTICE UNDER SUBSECTION (E)(4) OF THIS SECTION**  
16 **SHALL CONSIST OF:**

17                   **(1) ELECTRONICALLY MAILING THE NOTICE TO AN INDIVIDUAL**  
18 **ENTITLED TO NOTIFICATION UNDER SUBSECTION (B) OF THIS SECTION, IF THE**  
19 **BUSINESS HAS AN ELECTRONIC MAIL ADDRESS FOR THE INDIVIDUAL TO BE**  
20 **NOTIFIED;**

21                   **(2) CONSPICUOUS POSTING OF THE NOTICE ON THE WEBSITE OF**  
22 **THE BUSINESS, IF THE BUSINESS MAINTAINS A WEBSITE; AND**

23                   **(3) NOTIFICATION TO STATEWIDE MEDIA.**

24                   **(G) THE NOTIFICATION REQUIRED UNDER SUBSECTION (B) OF THIS**  
25 **SECTION SHALL INCLUDE:**

26                   **(1) TO THE EXTENT POSSIBLE, A DESCRIPTION OF THE**  
27 **CATEGORIES OF INFORMATION THAT WERE, OR ARE REASONABLY BELIEVED TO**  
28 **HAVE BEEN, ACQUIRED BY AN UNAUTHORIZED PERSON, INCLUDING WHICH OF**



1 THE ELEMENTS OF PERSONAL INFORMATION WERE, OR ARE REASONABLY  
2 BELIEVED TO HAVE BEEN, ACQUIRED;

3 (2) CONTACT INFORMATION FOR THE BUSINESS MAKING THE  
4 NOTIFICATION, INCLUDING THE BUSINESS' ADDRESS, TELEPHONE NUMBER, AND  
5 TOLL-FREE TELEPHONE NUMBER IF ONE IS MAINTAINED;

6 (3) THE TOLL-FREE TELEPHONE NUMBERS AND ADDRESSES FOR  
7 THE MAJOR CONSUMER REPORTING AGENCIES; AND

8 (4) (I) THE TOLL-FREE TELEPHONE NUMBERS, ADDRESSES,  
9 AND WEBSITE ADDRESSES FOR:

10 1. THE FEDERAL TRADE COMMISSION; AND

11 2. THE OFFICE OF THE ATTORNEY GENERAL; AND

12 (II) A STATEMENT THAT AN INDIVIDUAL CAN OBTAIN  
13 INFORMATION FROM THESE SOURCES ABOUT STEPS THE INDIVIDUAL CAN TAKE  
14 TO AVOID IDENTITY THEFT.

15 ~~(G) A (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~  
16 ~~SUBSECTION, A~~

17 (H) PRIOR TO GIVING THE NOTIFICATION REQUIRED UNDER  
18 SUBSECTION (B) OF THIS SECTION AND SUBJECT TO SUBSECTION (D) OF THIS  
19 SECTION, A BUSINESS SHALL PROVIDE NOTICE OF A BREACH OF THE SECURITY  
20 OF A SYSTEM TO THE OFFICE OF THE ATTORNEY GENERAL WITHIN 5 BUSINESS  
21 DAYS AFTER THE BUSINESS BECOMES AWARE DISCOVERS OR IS NOTIFIED OF  
22 THE BREACH.

23 ~~(2) (I) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1)~~  
24 ~~OF THIS SUBSECTION MAY BE DELAYED IF A LAW ENFORCEMENT AGENCY~~  
25 ~~DETERMINES THAT THE NOTIFICATION WILL IMPEDE A CRIMINAL~~  
26 ~~INVESTIGATION OR JEOPARDIZE HOMELAND OR NATIONAL SECURITY.~~

27 ~~(H) IF NOTIFICATION IS DELAYED UNDER SUBPARAGRAPH~~  
28 ~~(I) OF THIS PARAGRAPH, NOTIFICATION SHALL BE GIVEN AS SOON AS~~  
29 ~~REASONABLY PRACTICABLE AFTER THE LAW ENFORCEMENT AGENCY~~

~~1 DETERMINES THAT IT WILL NOT IMPEDE A CRIMINAL INVESTIGATION AND WILL~~  
~~2 NOT JEOPARDIZE HOMELAND OR NATIONAL SECURITY.~~

3 ~~(H)~~ (I) A WAIVER OF ANY PROVISION OF THIS SECTION IS CONTRARY  
4 TO PUBLIC POLICY AND IS VOID AND UNENFORCEABLE.

5 ~~(H)~~ (J) COMPLIANCE WITH THIS SECTION DOES NOT RELIEVE A  
6 BUSINESS FROM A DUTY TO COMPLY WITH ANY OTHER REQUIREMENTS OF  
7 FEDERAL LAW RELATING TO THE PROTECTION AND PRIVACY OF PERSONAL  
8 INFORMATION.

9 **14-3505.**

10 THE PROVISIONS OF THIS SUBTITLE ARE EXCLUSIVE AND SHALL  
11 PREEMPT ANY PROVISION OF LOCAL LAW.

12 **14-3506.**

13 (A) IF A BUSINESS IS REQUIRED UNDER § 14-3504 OF THIS SUBTITLE TO  
14 GIVE NOTICE OF A BREACH OF THE SECURITY OF A SYSTEM TO 1,000 OR MORE  
15 INDIVIDUALS, THE BUSINESS ALSO SHALL NOTIFY, WITHOUT UNREASONABLE  
16 DELAY, EACH CONSUMER REPORTING AGENCY THAT COMPILES AND MAINTAINS  
17 FILES ON CONSUMERS ON A NATIONWIDE BASIS, AS DEFINED BY 15 U.S.C. §  
18 1681A(P), OF THE TIMING, DISTRIBUTION, AND CONTENT OF THE NOTICES.

19 (B) THIS SECTION DOES NOT REQUIRE THE INCLUSION OF THE NAMES  
20 OR OTHER PERSONAL IDENTIFYING INFORMATION OF RECIPIENTS OF NOTICES  
21 OF THE BREACH OF THE SECURITY OF A SYSTEM.

22 **14-3507.**

23 (A) IN THIS SECTION, "AFFILIATE" MEANS A COMPANY THAT CONTROLS,  
24 IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH A BUSINESS  
25 DESCRIBED IN SUBSECTION (C)(1) OF THIS SECTION.

26 (B) A BUSINESS THAT COMPLIES WITH THE REQUIREMENTS FOR  
27 NOTIFICATION PROCEDURES, THE PROTECTION OR SECURITY OF PERSONAL  
28 INFORMATION, OR THE DESTRUCTION OF PERSONAL INFORMATION UNDER THE  
29 RULES, REGULATIONS, PROCEDURES, OR GUIDELINES ESTABLISHED BY THE

1 PRIMARY OR FUNCTIONAL FEDERAL OR STATE REGULATOR OF THE BUSINESS  
2 SHALL BE DEEMED TO BE IN COMPLIANCE WITH THIS SUBTITLE.

3 (C) (1) A BUSINESS THAT IS SUBJECT TO AND IN COMPLIANCE WITH §  
4 501(B) OF THE FEDERAL GRAMM-LEACH-BLILEY ACT, 15 U.S.C. § 6801, § 216  
5 OF THE FEDERAL FAIR AND ACCURATE TRANSACTIONS ACT, 15 U.S.C. §  
6 1681W, THE FEDERAL INTERAGENCY GUIDELINES ESTABLISHING  
7 INFORMATION SECURITY STANDARDS, AND THE FEDERAL INTERAGENCY  
8 GUIDANCE ON RESPONSE PROGRAMS FOR UNAUTHORIZED ACCESS TO  
9 CUSTOMER INFORMATION AND CUSTOMER NOTICE, AND ANY REVISIONS,  
10 ADDITIONS, OR SUBSTITUTIONS, SHALL BE DEEMED TO BE IN COMPLIANCE  
11 WITH THIS SUBTITLE.

12 (2) AN AFFILIATE THAT COMPLIES WITH § 501(B) OF THE  
13 FEDERAL GRAMM-LEACH-BLILEY ACT, 15 U.S.C. § 6801, § 216 OF THE  
14 FEDERAL FAIR AND ACCURATE TRANSACTIONS ACT, 15 U.S.C. § 1681W, THE  
15 FEDERAL INTERAGENCY GUIDELINES ESTABLISHING INFORMATION SECURITY  
16 STANDARDS, AND THE FEDERAL INTERAGENCY GUIDANCE ON RESPONSE  
17 PROGRAMS FOR UNAUTHORIZED ACCESS TO CUSTOMER INFORMATION AND  
18 CUSTOMER NOTICE, AND ANY REVISIONS, ADDITIONS, OR SUBSTITUTIONS,  
19 SHALL BE DEEMED TO BE IN COMPLIANCE WITH THIS SUBTITLE.

20 14-3508.

21 A VIOLATION OF THIS SUBTITLE:

22 (1) IS AN UNFAIR OR DECEPTIVE TRADE PRACTICE WITHIN THE  
23 MEANING OF TITLE 13 OF THIS ARTICLE; AND

24 (2) IS SUBJECT TO THE ENFORCEMENT AND PENALTY  
25 PROVISIONS CONTAINED IN TITLE 13 OF THIS ARTICLE.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 January 1, 2008.