

# HOUSE BILL 959

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CF SB 676

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By: **Delegate Lee (Commission on Maryland Cybersecurity Innovation and Excellence) and Delegates Bobo, Cullison, DeBoy, Dumais, Eckardt, Healey, Hough, McDonough, A. Miller, Mizeur, Pendergrass, B. Robinson, S. Robinson, Stocksdale, F. Turner, and Valderrama**

Introduced and read first time: February 7, 2013

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Governmental Procedures – Security and Protection of Information**

3 FOR the purpose of requiring a certain unit, when destroying a resident's records that  
4 contain certain personal or private information of the resident, to take certain  
5 steps to protect against the unauthorized acquisition or use of the personal or  
6 private information under certain circumstances; requiring certain units that  
7 collect certain personal or private information of a resident to implement and  
8 maintain certain security procedures and practices under certain circumstances;  
9 requiring certain units that collect or maintain computerized data that include  
10 certain personal or private information of a resident to conduct a certain  
11 investigation under certain circumstances and notify certain persons of a breach  
12 of the security of a system under certain circumstances; specifying the time at  
13 which notification must be given; specifying the contents of the notification;  
14 authorizing notification to be given in a certain manner; requiring certain units  
15 to retain certain records for a certain period of time under certain  
16 circumstances; providing that a waiver of certain provisions of this Act is  
17 contrary to public policy and is void and unenforceable; providing that  
18 compliance with certain provisions of this Act does not relieve a certain unit  
19 from a duty to comply with certain other requirements of federal law; providing  
20 that the provisions of this Act are exclusive and shall preempt any provision of  
21 local law; requiring a unit to report to certain consumer reporting agencies on  
22 the breach of the security of a system under certain circumstances; requiring a  
23 unit to provide notice of a breach of the security of a system to the Office of  
24 Attorney General and the Department of Information Technology under certain  
25 circumstances; establishing a private right of action for a resident affected by a  
26 violation of this Act; requiring the Department, in consultation with the Office  
27 of the Attorney General and the Department of Budget and Management, to  
28 adopt certain rules and regulations; defining certain terms; providing for the

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 applicability of a certain provision of this Act; and generally relating to the  
2 protection of information collected by units or included in computerized data  
3 that is collected and maintained by units.

4 BY adding to

5 Article – State Government

6 Section 10–1301 through 10–1309 to be under the new subtitle “Subtitle 13.  
7 Protection of Information by Government Agencies”

8 Annotated Code of Maryland

9 (2009 Replacement Volume and 2012 Supplement)

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

12 **Article – State Government**

13 **SUBTITLE 13. PROTECTION OF INFORMATION BY GOVERNMENT AGENCIES.**

14 **10–1301.**

15 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
16 INDICATED.

17 (B) “ENCRYPTED” MEANS THE PROTECTION OF DATA IN ELECTRONIC  
18 OR OPTICAL FORM, IN STORAGE OR IN TRANSIT USING AN ENCRYPTION  
19 TECHNOLOGY THAT HAS BEEN ADOPTED BY AN ESTABLISHED STANDARDS  
20 SETTING BODY OF THE FEDERAL GOVERNMENT, INCLUDING THE FEDERAL  
21 INFORMATION PROCESSING STANDARDS ISSUED BY THE NATIONAL INSTITUTE  
22 OF STANDARDS AND TECHNOLOGY, WHICH RENDERS SUCH DATA  
23 INDECIPHERABLE WITHOUT AN ASSOCIATED CRYPTOGRAPHIC KEY NECESSARY  
24 TO ENABLE DECRYPTION OF SUCH DATA.

25 (C) (1) “PERSONAL INFORMATION” MEANS ANY INFORMATION  
26 CONCERNING A NATURAL PERSON THAT, BECAUSE OF NAME, NUMBER,  
27 PERSONAL MARK, UNIQUE BIOMETRIC OR GENERIC PRINT, IMAGE OR DATA, OR  
28 OTHER IDENTIFIER, CAN BE USED TO IDENTIFY SUCH A NATURAL PERSON.

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

30 (I) PUBLICLY AVAILABLE INFORMATION THAT IS  
31 LAWFULLY MADE AVAILABLE TO THE GENERAL PUBLIC FROM FEDERAL, STATE,  
32 OR LOCAL GOVERNMENT RECORDS;

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

1                   (III) INFORMATION THAT IS DISSEMINATED OR LISTED IN  
2 ACCORDANCE WITH THE FEDERAL HEALTH INSURANCE PORTABILITY AND  
3 ACCOUNTABILITY ACT.

4                   (D) “PRIVATE INFORMATION” MEANS PERSONAL INFORMATION IN  
5 COMBINATION WITH ANY ONE OR MORE OF THE FOLLOWING DATA ELEMENTS,  
6 WHETHER OR NOT ANY OF THE ELEMENTS ARE ENCRYPTED:

7                   (1) SOCIAL SECURITY NUMBER;

8                   (2) DRIVER’S LICENSE OR STATE IDENTIFICATION CARD NUMBER;

9                   (3) PASSPORT NUMBER OR OTHER UNITED STATES ISSUED  
10 IDENTIFICATION NUMBER; OR

11                   (4) ACCOUNT NUMBER, CREDIT OR DEBIT CARD NUMBER, IN  
12 COMBINATION WITH ANY REQUIRED SECURITY CODE, ACCESS CODE, OR  
13 PASSWORD THAT WOULD PERMIT ACCESS TO THE FINANCIAL ACCOUNT OF AN  
14 INDIVIDUAL.

15                   (E) “REASONABLE SECURITY PROCEDURES AND PRACTICES” MEANS  
16 DATA SECURITY PROCEDURES AND PRACTICES DEVELOPED, IN GOOD FAITH,  
17 AND SET FORTH IN A WRITTEN INFORMATION SECURITY POLICY THAT CLEARLY  
18 DEMONSTRATES THAT THE PROCEDURES AND PRACTICES:

19                   (1) COORDINATE AN INFORMATION SECURITY PROGRAM;

20                   (2) REQUIRE A RISK ASSESSMENT TO IDENTIFY REASONABLY  
21 FORESEEABLE INTERNAL AND EXTERNAL RISKS TO THE SECURITY,  
22 CONFIDENTIALITY, AND INTEGRITY OF CUSTOMER INFORMATION AND TO  
23 ASSESS THE SUFFICIENCY OF ANY SAFEGUARDS IN PLACE TO CONTROL THESE  
24 RISKS;

25                   (3) ONCE A RISK ASSESSMENT IS COMPLETED, INCLUDE DESIGN  
26 SAFEGUARDS TO CONTROL THE IDENTIFIED RISKS AND TO MONITOR  
27 REGULARLY THE EFFECTIVENESS OF THE CONTROLS;

28                   (4) CONTRACTUALLY ENSURE THAT SPECIFIED SERVICE  
29 PROVIDERS ARE CAPABLE OF PROVIDING APPROPRIATE SAFEGUARDS FOR THE  
30 PERSONAL AND PRIVATE INFORMATION OF CUSTOMERS; AND

1           **(5) EVALUATE AND ADJUST THE INFORMATION SECURITY**  
2 **PROGRAM BASED ON THE FOLLOWING:**

3                   **(I) THE FINDINGS OF THE REGULAR MONITORING AND**  
4 **TESTING OF INFORMATION SAFEGUARDS;**

5                   **(II) MATERIAL CHANGES TO OPERATIONS OR BUSINESS**  
6 **ARRANGEMENTS; OR**

7                   **(III) CIRCUMSTANCES THAT THE BUSINESS KNOWS OR HAS**  
8 **REASON TO KNOW MAY HAVE A MATERIAL IMPACT ON THE INFORMATION**  
9 **SECURITY PROGRAM OF THE BUSINESS.**

10           **(F) “RECORDS” MEANS INFORMATION THAT IS INSCRIBED ON A**  
11 **TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR OTHER MEDIUM**  
12 **AND IS RETRIEVABLE IN PERCEIVABLE FORM.**

13           **(G) “RESIDENT” MEANS AN INDIVIDUAL RESIDING IN THE STATE WHO**  
14 **PROVIDES PERSONAL OR PRIVATE INFORMATION TO A UNIT FOR THE PURPOSE**  
15 **OF OBTAINING A SERVICE, PRODUCT, OR DOCUMENT FROM THE GOVERNMENT**  
16 **AGENCY.**

17           **(H) “UNIT” MEANS:**

18                   **(1) AN EXECUTIVE, LEGISLATIVE, OR JUDICIAL AGENCY, OR A**  
19 **DEPARTMENT, A BOARD, A COMMISSION, AN AUTHORITY, AN INSTITUTION, A**  
20 **UNIT OR AN INSTRUMENTALITY OF THE STATE; OR**

21                   **(2) A COUNTY, MUNICIPALITY, BI-COUNTY AGENCY, COUNTY**  
22 **BOARD OF EDUCATION, PUBLIC AUTHORITY, OR ANY OTHER POLITICAL**  
23 **SUBDIVISION OF THE STATE.**

24 **10-1302.**

25           **WHEN A UNIT IS DESTROYING RECORDS OF A RESIDENT THAT CONTAIN**  
26 **PERSONAL OR PRIVATE INFORMATION OF THE RESIDENT, THE UNIT SHALL**  
27 **TAKE REASONABLE STEPS TO PROTECT AGAINST UNAUTHORIZED ACCESS TO OR**  
28 **USE OF THE PERSONAL OR PRIVATE INFORMATION, TAKING INTO ACCOUNT:**

29                   **(1) THE SENSITIVITY OF THE RECORDS;**

30                   **(2) THE NATURE AND SIZE OF THE UNIT AND ITS OPERATIONS;**

1           **(3) THE COSTS AND BENEFITS OF DIFFERENT DESTRUCTION**  
2 **METHODS; AND**

3           **(4) AVAILABLE TECHNOLOGY.**

4 **10-1303.**

5           **(A) TO PROTECT PRIVATE INFORMATION FROM UNAUTHORIZED**  
6 **ACCESS, USE, MODIFICATION, OR DISCLOSURE, A UNIT THAT COLLECTS**  
7 **PERSONAL INFORMATION OF A RESIDENT SHALL IMPLEMENT AND MAINTAIN**  
8 **REASONABLE SECURITY PROCEDURES AND PRACTICES THAT ARE APPROPRIATE**  
9 **TO THE NATURE OF THE PERSONAL OR PRIVATE INFORMATION COLLECTED AND**  
10 **THE NATURE AND SIZE OF THE UNIT AND ITS OPERATIONS.**

11           **(B) (1) THIS SUBSECTION SHALL APPLY TO A WRITTEN CONTRACT**  
12 **THAT IS ENTERED INTO ON OR AFTER JANUARY 1, 2014.**

13           **(2) A UNIT THAT USES A NONAFFILIATED THIRD PARTY AS A**  
14 **SERVICE PROVIDER TO PERFORM SERVICES FOR THE UNIT AND DISCLOSES**  
15 **PERSONAL OR PRIVATE INFORMATION ABOUT A RESIDENT UNDER A WRITTEN**  
16 **CONTRACT WITH THE THIRD PARTY SHALL REQUIRE BY CONTRACT THAT THE**  
17 **THIRD PARTY IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES**  
18 **AND PRACTICES THAT:**

19                   **(I) ARE APPROPRIATE TO THE NATURE OF THE PERSONAL**  
20 **OR PRIVATE INFORMATION DISCLOSED TO THE NONAFFILIATED THIRD PARTY;**  
21 **AND**

22                   **(II) ARE REASONABLY DESIGNED TO HELP PROTECT THE**  
23 **PERSONAL OR PRIVATE INFORMATION FROM UNAUTHORIZED ACCESS, USE,**  
24 **MODIFICATION, DISCLOSURE, OR DESTRUCTION.**

25 **10-1304.**

26           **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
27 **MEANINGS INDICATED.**

28                   **(2) (I) "BREACH OF THE SECURITY OF A SYSTEM" MEANS THE**  
29 **UNAUTHORIZED ACQUISITION OF COMPUTERIZED DATA THAT COMPROMISES**  
30 **THE SECURITY, CONFIDENTIALITY, OR INTEGRITY OF THE PERSONAL OR**  
31 **PRIVATE INFORMATION MAINTAINED BY A UNIT.**

1                   **(II) “BREACH OF THE SECURITY OF A SYSTEM” DOES NOT**  
2 **INCLUDE THE GOOD FAITH ACQUISITION OF PERSONAL INFORMATION BY AN**  
3 **EMPLOYEE OR AGENT OF A UNIT FOR THE PURPOSES OF THE UNIT, PROVIDED**  
4 **THAT THE PERSONAL OR PRIVATE INFORMATION IS NOT USED OR SUBJECT TO**  
5 **FURTHER UNAUTHORIZED DISCLOSURE.**

6                   **(3) “IDENTITY FRAUD” HAS THE MEANING STATED IN §**  
7 **8-301(B) OR (C) OF THE CRIMINAL LAW ARTICLE.**

8                   **(B) (1) IF A UNIT THAT COLLECTS COMPUTERIZED DATA THAT**  
9 **INCLUDES PRIVATE INFORMATION OF A RESIDENT DISCOVERS OR IS NOTIFIED**  
10 **OF A BREACH OF THE SECURITY OF A SYSTEM, THE UNIT SHALL CONDUCT IN**  
11 **GOOD FAITH A REASONABLE AND PROMPT INVESTIGATION TO DETERMINE**  
12 **WHETHER THE UNAUTHORIZED ACQUISITION OF PRIVATE INFORMATION OF THE**  
13 **RESIDENT HAS CREATED OR IS REASONABLY LIKELY TO CREATE A MATERIAL**  
14 **RISK OF IDENTITY FRAUD.**

15                   **(2) IF AFTER THE INVESTIGATION IS CONCLUDED, THE UNIT**  
16 **DETERMINES THAT THE UNAUTHORIZED ACQUISITION OF THE RESIDENT’S**  
17 **PERSONAL OR PRIVATE INFORMATION HAS CREATED OR IS REASONABLY LIKELY**  
18 **TO CREATE A MATERIAL RISK OF IDENTITY FRAUD, THE UNIT SHALL NOTIFY THE**  
19 **RESIDENT OF THE BREACH.**

20                   **(3) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,**  
21 **THE NOTIFICATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION**  
22 **SHALL BE GIVEN AS SOON AS REASONABLY PRACTICABLE, BUT NOT LATER THAN**  
23 **45 DAYS AFTER THE UNIT CONDUCTS THE INVESTIGATION REQUIRED UNDER**  
24 **PARAGRAPH (1) OF THIS SUBSECTION.**

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

30                   **(C) (1) A PARTY THAT MAINTAINS COMPUTERIZED DATA THAT**  
31 **INCLUDES PRIVATE INFORMATION PROVIDED BY A UNIT SHALL NOTIFY THE**  
32 **UNIT OF A BREACH OF THE SECURITY OF A SYSTEM IF THE UNAUTHORIZED**  
33 **ACQUISITION OF THE RESIDENT’S PRIVATE INFORMATION HAS CREATED OR IS**  
34 **REASONABLY LIKELY TO CREATE A MATERIAL RISK OF IDENTITY FRAUD.**

35                   **(2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,**  
36 **THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION**

1 SHALL BE GIVEN AS SOON AS REASONABLY PRACTICABLE, BUT NOT LATER THAN  
2 45 DAYS AFTER THE UNIT DISCOVERS OR IS NOTIFIED OF THE BREACH OF THE  
3 SECURITY OF A SYSTEM.

4 (3) A PARTY THAT IS REQUIRED TO NOTIFY A UNIT OF A BREACH  
5 OF THE SECURITY OF A SYSTEM UNDER PARAGRAPH (1) OF THIS SUBSECTION  
6 SHALL SHARE WITH THE UNIT INFORMATION RELATING TO THE BREACH.

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

9 (I) IF A LAW ENFORCEMENT AGENCY DETERMINES THAT  
10 THE NOTIFICATION WILL IMPEDE A CRIMINAL INVESTIGATION OR JEOPARDIZE  
11 HOMELAND OR NATIONAL SECURITY; OR

12 (II) TO DETERMINE THE SCOPE OF THE BREACH OF THE  
13 SECURITY OF A SYSTEM, IDENTIFY THE INDIVIDUALS AFFECTED, OR RESTORE  
14 THE INTEGRITY OF THE SYSTEM.

15 (2) IF NOTIFICATION IS DELAYED UNDER PARAGRAPH (1)(I) OF  
16 THIS SUBSECTION, NOTIFICATION SHALL BE GIVEN AS SOON AS REASONABLY  
17 PRACTICABLE, BUT NOT LATER THAN 45 DAYS AFTER THE LAW ENFORCEMENT  
18 AGENCY DETERMINES THAT THE NOTIFICATION WILL NOT IMPEDE A CRIMINAL  
19 INVESTIGATION AND WILL NOT JEOPARDIZE HOMELAND OR NATIONAL  
20 SECURITY.

21 (E) THE NOTIFICATION REQUIRED UNDER SUBSECTION (B) OF THIS  
22 SECTION MAY BE GIVEN:

23 (1) BY WRITTEN NOTICE SENT TO THE MOST RECENT ADDRESS OF  
24 THE INDIVIDUAL IN THE RECORDS OF THE UNIT;

25 (2) BY ELECTRONIC MAIL TO THE MOST RECENT ELECTRONIC  
26 MAIL ADDRESS OF THE RESIDENT IN THE RECORDS OF THE UNIT IF:

27 (I) THE RESIDENT HAS EXPRESSLY CONSENTED TO  
28 RECEIVE ELECTRONIC NOTICE; OR

29 (II) THE UNIT CONDUCTS ITS DUTIES PRIMARILY THROUGH  
30 INTERNET ACCOUNT TRANSACTIONS OR THE INTERNET;

31 (3) BY TELEPHONIC NOTICE, TO THE MOST RECENT TELEPHONE  
32 NUMBER OF THE RESIDENT IN THE RECORDS OF THE UNIT; OR

1           **(4) BY SUBSTITUTE NOTICE AS PROVIDED IN SUBSECTION (F) OF**  
2 **THIS SECTION IF:**

3           **(I) THE UNIT DEMONSTRATES THAT THE COST OF**  
4 **PROVIDING NOTICE WOULD EXCEED \$100,000 OR THAT THE AFFECTED CLASS**  
5 **OF INDIVIDUALS TO BE NOTIFIED EXCEEDS 175,000; OR**

6           **(II) THE UNIT DOES NOT HAVE SUFFICIENT CONTACT**  
7 **INFORMATION TO GIVE NOTICE IN ACCORDANCE WITH ITEM (1), (2), OR (3) OF**  
8 **THIS SUBSECTION.**

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

11           **(1) ELECTRONICALLY MAILING THE NOTICE TO A RESIDENT**  
12 **ENTITLED TO NOTIFICATION UNDER SUBSECTION (B) OF THIS SECTION IF THE**  
13 **UNIT HAS AN ELECTRONIC MAIL ADDRESS FOR THE RESIDENT TO BE NOTIFIED;**

14           **(2) CONSPICUOUS POSTING OF THE NOTICE ON THE WEB SITE OF**  
15 **THE UNIT IF THE UNIT MAINTAINS A WEB SITE; AND**

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

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

19           **(1) TO THE EXTENT POSSIBLE, A DESCRIPTION OF THE**  
20 **CATEGORIES OF INFORMATION THAT WERE, OR ARE REASONABLY BELIEVED TO**  
21 **HAVE BEEN, ACQUIRED BY AN UNAUTHORIZED PERSON, INCLUDING WHICH OF**  
22 **THE ELEMENTS OF PERSONAL OR PRIVATE INFORMATION WERE, OR ARE**  
23 **REASONABLY BELIEVED TO HAVE BEEN, ACQUIRED;**

24           **(2) CONTACT INFORMATION FOR THE UNIT MAKING THE**  
25 **NOTIFICATION, INCLUDING THE UNIT'S ADDRESS, TELEPHONE NUMBER, AND**  
26 **TOLL-FREE TELEPHONE NUMBER IF ONE IS MAINTAINED;**

27           **(3) THE TOLL-FREE TELEPHONE NUMBERS AND ADDRESSES FOR**  
28 **THE MAJOR CONSUMER REPORTING AGENCIES; AND**

29           **(4) (I) THE TOLL-FREE TELEPHONE NUMBERS, ADDRESSES,**  
30 **AND WEB SITE ADDRESSES FOR:**



1                   1.    **THE FEDERAL TRADE COMMISSION; AND**

2                   2.    **THE OFFICE OF THE ATTORNEY GENERAL; AND**

3                    (II) A STATEMENT THAT A RESIDENT CAN OBTAIN  
4 INFORMATION FROM THESE SOURCES ABOUT STEPS THE RESIDENT CAN TAKE  
5 TO AVOID IDENTITY THEFT.

6                   (H) (1) BEFORE GIVING THE NOTIFICATION REQUIRED UNDER  
7 SUBSECTION (B) OF THIS SECTION AND SUBJECT TO SUBSECTION (D) OF THIS  
8 SECTION, A UNIT SHALL PROVIDE NOTICE OF A BREACH OF THE SECURITY OF A  
9 SYSTEM TO THE OFFICE OF THE ATTORNEY GENERAL.

10                  (2) IN ADDITION TO THE NOTICE REQUIRED UNDER PARAGRAPH  
11 (1) OF THIS SUBSECTION, A UNIT, AS DEFINED IN § 10-1301(H)(1) OF THIS  
12 SUBTITLE, SHALL PROVIDE NOTICE OF A BREACH OF SECURITY TO THE  
13 DEPARTMENT OF INFORMATION TECHNOLOGY.

14                  (I) A WAIVER OF ANY PROVISION OF THIS SECTION IS CONTRARY TO  
15 PUBLIC POLICY AND IS VOID AND UNENFORCEABLE.

16                  (J) COMPLIANCE WITH THIS SECTION DOES NOT RELIEVE A UNIT FROM  
17 A DUTY TO COMPLY WITH ANY OTHER REQUIREMENTS OF FEDERAL LAW  
18 RELATING TO THE PROTECTION AND PRIVACY OF PERSONAL OR PRIVATE  
19 INFORMATION.

20    **10-1305.**

21                  THE PROVISIONS OF THIS SUBTITLE ARE EXCLUSIVE AND SHALL  
22 PREEMPT ANY PROVISION OF LOCAL LAW.

23    **10-1306.**

24                  (A) IF A UNIT IS REQUIRED UNDER § 10-1304 OF THIS SUBTITLE TO  
25 GIVE NOTICE OF A BREACH OF THE SECURITY OF A SYSTEM TO 1,000 OR MORE  
26 INDIVIDUALS, THE UNIT ALSO SHALL NOTIFY, WITHOUT UNREASONABLE DELAY,  
27 EACH CONSUMER REPORTING AGENCY THAT COMPILES AND MAINTAINS FILES  
28 ON CONSUMERS ON A NATIONWIDE BASIS, AS DEFINED BY 15 U.S.C. § 1681A(P),  
29 OF THE TIMING, DISTRIBUTION, AND CONTENT OF THE NOTICES.

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

1 **10-1307.**

2 (A) IN THIS SECTION, "AFFILIATE" MEANS AN ENTITY THAT CONTRACTS  
3 WITH A UNIT IN SUBSECTION (C) OF THIS SECTION.

4 (B) A UNIT THAT COMPLIES WITH THE REQUIREMENTS FOR  
5 NOTIFICATION PROCEDURES, THE PROTECTION OR SECURITY OF PERSONAL OR  
6 PRIVATE INFORMATION, OR THE DESTRUCTION OF PERSONAL OR PRIVATE  
7 INFORMATION UNDER THE RULES, REGULATIONS, PROCEDURES, OR  
8 GUIDELINES ESTABLISHED BY THE PRIMARY OR FUNCTIONAL FEDERAL OR  
9 STATE REGULATOR OF THE UNIT SHALL BE DEEMED TO BE IN COMPLIANCE  
10 WITH THIS SUBTITLE.

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

20 **10-1308.**

21 (A) IF A UNIT VIOLATES THE PROVISIONS OF THIS SUBTITLE, A  
22 RESIDENT MAY FILE A CIVIL ACTION FOR DAMAGES UNDER THE APPLICABLE  
23 PROVISIONS OF:

24 (1) THE MARYLAND TORT CLAIMS ACT, AS SET FORTH IN TITLE  
25 12 OF THIS ARTICLE; OR

26 (2) THE LOCAL GOVERNMENT TORT CLAIMS ACT, AS SET FORTH  
27 IN TITLE 5, SUBTITLE 3 OF THE COURTS ARTICLE.

28 (B) A CIVIL ACTION UNDER THIS SECTION SHALL BE FILED IN THE  
29 COUNTY IN WHICH THE RESIDENT RESIDES.

30 **10-1309.**

31 THE SECRETARY OF INFORMATION TECHNOLOGY, IN CONSULTATION  
32 WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE DIVISION OF

1 **CONSUMER PROTECTION IN THE OFFICE OF THE ATTORNEY GENERAL, SHALL**  
2 **ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE FOR**  
3 **THE GOVERNMENT AGENCIES SPECIFIED IN § 10-1301(H)(1) OF THIS SUBTITLE.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2013.