
A BILL FOR AN ACT

RELATING TO INFORMATION.

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

1 SECTION 1. The legislature finds that a recent University
2 of Hawaii security breach may have exposed personal information,
3 including approximately 40,870 social security numbers and two
4 hundred credit card numbers. The system was immediately
5 isolated, and an investigation was launched to determine the
6 scope of the breach and identify individuals who may have been
7 affected. Letters were mailed to affected individuals on
8 July 3, 2010, and an email notice was sent to affected
9 individuals at their most recent email address on record. To
10 protect personal information from further unauthorized access,
11 social security numbers are no longer used for parking
12 transactions, and are being purged from all current and historic
13 parking office databases. Additional security measures that are
14 being taken include strengthening internal automated network
15 monitoring practices, and performing extensive evaluations of
16 systems to identify other potential security risks.

17 The legislature further finds that while the University of
18 Hawaii acted swiftly and appropriately after discovery of the



1 security breach, additional safeguards are necessary to ensure
2 that the University of Hawaii and other government agencies have
3 the resources to avoid a reoccurrence of these security breaches
4 of personal information.

5 The purpose of this Act is to strengthen the safeguards for
6 security breaches of personal information.

7 SECTION 2. Chapter 487N, Hawaii Revised Statutes, is
8 amended by adding two new sections to be appropriately
9 designated and to read as follows:

10 "§487N- Personal information; government agencies;
11 requirements. Any government agency that maintains one or more
12 personal information systems shall include, as part of the
13 agency's guidelines developed pursuant to section 487N-5(c),
14 mandatory training programs for any agency personnel to whom
15 disclosures of personal information are made or to whom access
16 to the personal information may be granted. A government agency
17 may request assistance from the information and communication
18 services division of the department of accounting and general
19 services for training purposes, pursuant to section 487N-5(e).

20 §487N- Personal information; business; security program.

21 (a) A business that maintains personal information about
22 residents of Hawaii shall implement a comprehensive written



1 information security program that includes administrative,
2 technical, and physical safeguards for the protection of
3 personal information of residents of Hawaii. The
4 administrative, technical, and physical safeguards included in
5 the information security program shall be appropriate to the
6 size and complexity of the business and the nature and scope of
7 its activities.

8 (b) The information security program of a business shall
9 be designed to:

- 10 (1) Ensure the security and confidentiality of personal
11 information of residents of Hawaii;
12 (2) Protect against any anticipated threats or hazards to
13 the security or integrity of the information; and
14 (3) Protect against unauthorized access to or use of the
15 information that could result in substantial harm to
16 any resident of Hawaii.

17 (c) The business shall train its staff, as appropriate, to
18 implement the security program of the business.

19 (d) This section shall not apply to a financial
20 institution that is subject to the federal Interagency
21 Guidelines Establishing Information Security Standards in 12
22 C.F.R. Part 748, Appendix A, both as amended from time to time."



1 SECTION 3. Section 487N-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Credit reporting agency" means a nationwide consumer
6 credit reporting agency, such as Equifax, Experian, or
7 TransUnion, or any successor entity thereof, that provides
8 consumer credit monitoring and reporting services."

9 2. By amending the definition of "security breach" to
10 read:

11 "Security breach" [~~means an~~]:

12 (1) Means:

13 (A) Any incident of unauthorized access to and
14 acquisition of unencrypted or unredacted records
15 or data containing personal information where
16 illegal use of the personal information has
17 occurred, or is reasonably likely to occur and
18 that creates a risk of harm to a person[-];

19 (B) Any incident of unauthorized access to and
20 acquisition of encrypted records or data
21 containing personal information along with the



1 confidential process or key constitutes a
 2 security breach [~~Good~~]; and
 3 (C) Any incident of inadvertent, unauthorized
 4 disclosure of unencrypted or unredacted records
 5 or data containing personal information
 6 constitutes a security breach; and
 7 (2) Does not include good faith acquisition of personal
 8 information by an employee or agent of the business
 9 for a legitimate purpose [~~is not a security breach~~];
 10 provided that the personal information is not used for
 11 a purpose other than a lawful purpose of the business
 12 and is not subject to further unauthorized
 13 disclosure."

14 SECTION 4. Section 487N-2, Hawaii Revised Statutes, is
 15 amended by amending subsection (d) to read as follows:

16 "(d) The notice shall be clear and conspicuous. The
 17 notice shall include a description of the following:

- 18 (1) The incident in general terms;
- 19 (2) The type of personal information that was subject to
- 20 the unauthorized access and acquisition;



- 1 (3) The general acts of the business or government agency
- 2 to protect the personal information from further
- 3 unauthorized access;
- 4 (4) A telephone number that the person may call for
- 5 further information and assistance, if one exists;
- 6 [and]
- 7 (5) Advice that directs the person to remain vigilant by
- 8 reviewing account statements and monitoring free
- 9 credit reports[-]; and
- 10 (6) The toll-free contact telephone numbers and addresses
- 11 for the major credit reporting agencies that compile
- 12 and maintain files on consumers on a nationwide basis,
- 13 as defined in 15 U.S.C. Section 1681a, and information
- 14 on how to place a fraud alert or security freeze."

15 SECTION 5. Section 487N-4, Hawaii Revised Statutes, is
 16 amended to read as follows:

17 "[+]§487N-4[+] Reporting requirements. A government
 18 agency shall submit a written report to the legislature and the
 19 information privacy and security council within twenty days
 20 after discovery of a security breach at the government agency
 21 that details information relating to the nature of the breach,
 22 the number of individuals affected by the breach, a copy of the



1 notice of security breach that was issued, the number of
2 individuals to whom the notice was sent, whether the notice was
3 delayed due to law enforcement considerations, and any
4 procedures that have been implemented to prevent the breach from
5 reoccurring. [~~In the event that~~] If a law enforcement agency
6 informs the government agency that notification may impede a
7 criminal investigation or jeopardize national security, the
8 report to the legislature and the information privacy and
9 security council may be delayed until twenty days after the law
10 enforcement agency has determined that notice will no longer
11 impede the investigation or jeopardize national security."

12 SECTION 6. Section 487N-5, Hawaii Revised Statutes, is
13 amended as follows:

14 1. By amending subsection (a) to read:

15 "(a) There is established an information privacy and
16 security council within the department of accounting and general
17 services for administrative purposes only. The council shall be
18 responsible for coordinating the implementation of guidelines by
19 government agencies, as established under subsection (c).

20 Members of the council shall be appointed no later than
21 September 1, 2008, by the governor without regard to section
22 26-34 and shall be composed of the following representatives:



- 1 (1) Executive agencies that maintain extensive personal
2 information in the conduct of their duties, including
3 the department of education, the department of health,
4 the department of human resources development, the
5 department of human services, and the University of
6 Hawaii, to be selected by the governor;
- 7 (2) The legislature, to be selected by the president of
8 the senate and the speaker of the house of
9 representatives;
- 10 (3) The judiciary, to be selected by the administrator of
11 the courts; and
- 12 (4) The four counties, to be selected by the mayor of each
13 county; provided that the mayor of each county shall
14 determine the extent to which the county may or may
15 not participate.

16 The comptroller or the state chief information officer,
17 once appointed, shall serve as chair of the council."

18 2. By amending subsection (e) to read:

19 "(e) The comptroller may establish support positions for
20 the information and communication services division, including
21 but not limited to[7] legal support, information technology,



1 human resources and personnel, records management, training, and
2 administrative support."

3 SECTION 7. Section 489P-2, Hawaii Revised Statutes, is
4 amended by adding a new definition to be appropriately inserted
5 and to read as follows:

6 "Security breach" has the same meaning as in section
7 487N-1."

8 SECTION 8. Section 489P-3, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Any consumer who is a resident of this State may
11 place a security freeze on the consumer's credit report. A
12 consumer credit reporting agency shall not charge a victim of
13 identity theft or a security breach a fee for placing, lifting,
14 or removing a security freeze on a credit report but may charge
15 any other consumer a fee not to exceed \$5 for each request by
16 the consumer to place, lift, or remove a security freeze from
17 the consumer's credit report.

18 A consumer who is a resident of this State and has been the
19 victim of identity theft or a security breach may place a
20 security freeze on the consumer's credit report by making a
21 request in writing by certified mail to a consumer credit
22 reporting agency, at an address designated by the agency to



1 receive such requests, with a valid copy of a police report,
2 investigative report, or complaint the consumer has filed with a
3 law enforcement agency about unlawful use of the consumer's
4 personal information by another person. A consumer who has not
5 been the victim of identity theft or a security breach may place
6 a security freeze on the consumer's credit report by making a
7 request in writing by certified mail to a consumer credit
8 reporting agency.

9 A security freeze shall prohibit the consumer credit
10 reporting agency from releasing the consumer's credit report or
11 any information from it without the express authorization of the
12 consumer. This subsection shall not prevent a consumer credit
13 reporting agency from advising a third party that a security
14 freeze is in effect with respect to the consumer's credit
15 report."

16 SECTION 9. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2011-2012 and
19 the same sum or so much thereof as may be necessary for fiscal
20 year 2012-2013 for positions and funding in support of the
21 information privacy and security council and enhanced data
22 security requirements.



1 The sums appropriated shall be expended by the department
2 of accounting and general services for the purposes of this Act.

3 SECTION 10. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2011-2012 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2012-2013 for specialist and coordinator positions in
8 statewide network security, application scanning, security
9 incident, and training.

10 The sums appropriated shall be expended by the department
11 of accounting and general services for the purposes of this Act.

12 SECTION 11. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so
14 much thereof as may be necessary for fiscal year 2011-2012 and
15 the same sum or so much thereof as may be necessary for fiscal
16 year 2012-2013 for security tools, maintenance, and licenses,
17 including software and enhanced web applications.

18 The sums appropriated shall be expended by the department
19 of accounting and general services for the purposes of this Act.

20 SECTION 12. This Act does not affect rights and duties
21 that matured, penalties that were incurred, and proceedings that
22 were begun before its effective date.



1 SECTION 13. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 14. This Act shall take effect on July 1, 2050.

4



Report Title:

Personal Information; Security Breach; Appropriation

Description:

Requires a government agency that maintains personal information systems to include mandatory training programs for agency personnel; requires a business that maintains personal information to implement an information security program; adds a definition of "credit reporting agency"; amends the definition of "security breach" to include inadvertent, unauthorized disclosure of unencrypted or unredacted records or data containing personal information; requires a notice of security breach to include toll-free contact telephone numbers and addresses for the major credit reporting agencies; requires a government agency to submit a written report to the information privacy and security council within twenty days after discovery of a security breach; requires the information privacy and security council to be responsible for coordinating the implementation of security breach guidelines by government agencies; includes a victim of a security breach to those residents entitled to free security freeze services; appropriates unspecified funds for the information privacy and security council for positions and security tools. Effective 7/1/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

