

STAND. COM. REP. NO.

418

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 796

S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Economic Development and Technology and Commerce and Consumer Protection and Judiciary and Labor, to which was referred S.B. No. 796 entitled:

"A BILL FOR AN ACT RELATING TO INFORMATION,"

beg leave to report as follows:

The purpose and intent of this measure is to require a business or government agency responsible for the inadvertent, unauthorized disclosure of a person's personal information liable to pay for that person's access to credit reports for at least three years.

Your Committees received testimony in support of this measure from Grande Law Offices. Your Committees received testimony in opposition to this measure from the Department of Human Resources of the City and County of Honolulu, Hawaii Bankers Association, Hawaii Credit Union League, American Council of Life Insurers, Property Casualty Insurers Association of America, and State Privacy and Security Coalition, Inc. Your Committees received comments on this measure from the Department of Accounting and General Services.

Your Committees find that in 2008, the Legislature approved several measures to provide greater protection to consumers from security breaches of personal information. Since that time, the Legislature, government agencies, and the private sector have continued a proactive approach to information security. This measure is one of several before the Legislature in the Regular

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Session of 2011, and your Committees have reviewed this measure as complementary to S.B. No. 1162, which was also heard by your Committees.

Your Committees further find that the concerns regarding this measure have been focused primarily on the scope of the provisions and the significant costs required to provide subscriptions to credit monitoring and reporting services to every person whose information has been disclosed in a security breach. Your Committees wish to commend the parties raising these concerns and the collaborative efforts by all regarding amendments to this measure.

Your Committees believe that, as amended, this measure and S.B. No. 1162, S.D. 1, address the legislative intent to provide greater security of personal information for Hawaii residents.

Your Committees have amended this measure by:

- (1) Deleting the proposed requirement that businesses or government agencies responsible for certain security breaches be liable for the costs of providing access to credit reports by affected persons for at least three years;
- (2) Requiring a business that maintains personal information about residents of Hawaii to implement a comprehensive written information security program; provided that financial institutions subject to certain federal guidelines shall be exempt from this requirement;
- (3) Requiring that a consumer credit reporting agency not charge a victim of identity theft or a security breach a fee for placing, lifting, or removing a security freeze on a credit report; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 796, as amended herein, and recommend that it



pass Second Reading in the form attached hereto as S.B. No. 796,
S.D. 1, and be referred to the Committee on Ways and Means.


Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Technology and
Commerce and Consumer
Protection and Judiciary and
Labor,



ROSALYN H. BAKER, Chair



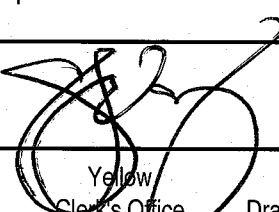
CAROL FUKUNAGA, Chair



CLAYTON HEE, Chair

The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

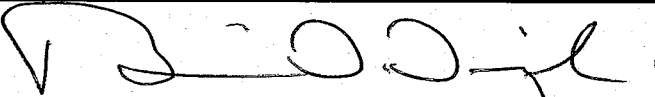
Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* SB 796	Committee Referral: EDT/CPN/JDL, WAM	Date: 2/11/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama	✓			
SLOM, Sam	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 796	EDT/CPN/JDL,WAM	2/11/2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam	✓			
TOTAL	7	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
796	EDUCATION, WAM	2/15/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike				✓
IHARA, Jr., Les	✓			
SLOM, Sam				✓
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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