STAND. COM. REP. NO. 544

Honolulu, Hawaii Fcb \8 , 2011

RE: H.B. No. 1220 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 1220 entitled:

"A BILL FOR AN ACT RELATING TO INFORMATION PRIVACY,"

beg leave to report as follows:

The purpose of this bill is to provide a private cause of action for victims who suffer a risk of harm from identity theft as the result of an information security breach.

The Department of Accounting and General Services, and a concerned individual supported this measure. The Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company Inc., the Consumer Data Industry Association, the State Privacy and Security Coalition, Inc., the Hawaii Bankers Association, the American Council of Life Insurers, and the Hawaii Credit Union League opposed this bill. The Department of Human Resources of the City and County of Honolulu and Verizon provided comments.

Your Committees have amended this bill by:

 Requiring every business and government agency that maintains personal information of any residents of the State to implement a comprehensive written information security program;



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- (2) Deleting the requirement that notice of a security breach include the distribution medium and method of the security breach;
- (3) Excluding entities in compliance with a security program from triple damages, limiting their damages to actual damages only;
- (4) Making technical, nonsubstantive amendments for clarity, style, and consistency; and
- (5) Changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1220, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1220, H.D. 1, and be referred to the Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

GILBERT KEITH-ACARAN, Chair

ROBERT N. HERKES, Chair



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Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1220 Committee Referral: CPC/JUD, FIN Date: 2/14/2011							
□ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
CPC Members	Ayes	Ayes (WR)	Nays	Excused			
1. HERKES, Robert N. (C)	\sim						
2. YAMANE, Ryan I. (VC)							
3. BROWER, Tom							
4. CABANILLA, Rida T.R.							
5. CARROLL, Mele	/						
6. ITO, Ken							
7. KEITH-AGARAN, Gilbert S.C.	/						
8. LUKE, Sylvia	/						
9. McKELVEY, Angus L.K.							
10. MORITA, Hermina M.	/			F			
11. OSHIRO, Blake K.							
12. SOUKI, Joseph M.							
13. TSUJI, Clift							
14. CHING, Corinne W.L.				· · ·			
15. MARUMOTO, Barbara C.							
16. THIELEN, Cynthia							
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TOTAL (16)	12			4			
The recommendation is: Adopted If joint referral, did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

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Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB 1220 Committee Referral: CPC/JVD, FJN Date: 2/14//1						
□ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)						
JUD Members	Ayes	Ayes (WR)	Nays	Excused		
1. KEITH-AGARAN, Gilbert S.C. (C)	~					
2. RHOADS, Karl (VC)						
3. BROWER, Tom						
4. CABANILLA, Rida T.R.						
5. CARROLL, Mele	~	3				
6. HERKES, Robert N.	~					
7. ITO, Ken	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5					
8. LUKE, Sylvia	-					
9. McKELVEY, Angus L.K.						
10. MORITA, Hermina M.						
11. OSHIRO, Blake K.						
12. SOUKI, Joseph M.						
13. TSUJI, Clift						
14. FONTAINE, George R.						
15. MARUMOTO, Barbara C.						
16. THIELEN, Cynthia						
TOTAL (16)	12	0	0	4		
The recommendation is: Adopted Not Adopted If joint referral,						
Vice Chair's or designee's signature: Kalhooh						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						