

STAND. COM. REP. NO. **899**

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 974
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 974, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER DATA PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to protect certain consumer data.

More specifically, this measure:

- (1) Establishes a framework for the regulation of controllers and processors having access to personal consumer data;
- (2) Enumerates consumers' personal data rights;
- (3) Establishes a consumer privacy special fund; and
- (4) Appropriates moneys for consumer data protection.

Your Committee received written comments in support of this measure from BSA The Software Alliance and Fellow of Information Privacy.



Your Committee received written comments in opposition to this measure from Hawaiian Electric Company, National Insurance Crime Bureau, and State Farm.

Your Committee received written comments on this measure from the Department of Commerce and Consumer Affairs, Office of Consumer Protection; Department of the Attorney General; American Property Casualty Insurance Association; California Privacy Protection Agency; Consumer Reports; Hawaii Bankers Association; Hawaii Credit Union League; Hawaii Financial Services Association; Hawaii Insurers Council; State Privacy & Security Coalition; TechNet; and one individual.

Your Committee finds that enumerating a strong set of consumer rights and establishing restrictions on the use of consumer data and the responsibilities of controllers and processors will provide each consumer with increased control over the consumer's personal data and increased transparency for the use of consumer data.

Your Committee has amended this measure by:

- (1) Exempting the National Insurance Crime Bureau from certain consumer data protection requirements;
- (2) Clarifying that if a controller sells personal data to third parties or processes personal data for targeted advertising, the controller shall disclose the processing to the affected consumer;
- (3) Clarifying the required contents of contracts between a controller and a processor; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 974, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 974, S.D. 2.



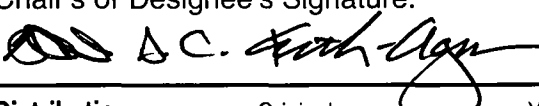
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 974 SD1	Committee Referral: CPN, WAM	Date: 3/1/23		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13			
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