

STAND. COM. REP. NO.

1780

Honolulu, Hawaii

MAR 19, 2025

RE: S.B. No. 1038
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which
was referred S.B. No. 1038, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRIVACY,"

begs leave to report as follows:

The purpose of this measure is to amend the security breach
of personal information laws by:

- (1) Adding definitions for "identifier" and "specified data
element";
- (2) Amending the definition of "personal information"; and
- (3) Including licensees subject to the Insurance Data
Security Law among the businesses deemed compliant with
security breach notice requirements.

Your Committee received testimony in support of this measure
from one individual. Your Committee received testimony in
opposition to this measure from TechNet; Mortgage Bankers
Association of Hawaii; Hawaii Financial Services Association; and
Consumer Data Industry Association. Your Committee received
comments on this measure from the Insurance Division and Office of
Consumer Protection of the Department of Commerce and Consumer

2025-2695 SB1038 HD1 HSCR HMSO



Affairs; Department of Human Services; and Hawaii Bankers Association.

Your Committee finds that House Concurrent Resolution No. 225, H.D. 1, S.D. 1, Regular Session of 2019, convened the Twenty-First Century Privacy Law Task Force to examine and make recommendations regarding existing privacy laws and rules. This measure adopts some of the recommendations of the Task Force and ensures that persons impacted by data breaches are notified when certain personal information is compromised.

Your Committee has amended this measure by:

- (1) Removing the definition of "identifier" and including its contents in the definition of "personal information";
- (2) Removing the exclusion of medical information that is protected by the Health Insurance Portability and Accountability Act of 1996 from the definition of "specified data element";
- (3) Removing the inclusion of licenses subject to the Insurance Data Security Law from the businesses deemed compliant with security breach notice requirements;
- (4) Clarifying that this measure is intended to take effect on April 1, 2026;
- (5) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Commerce and Consumer Protection, should it deliberate on this measure, to consider:

- (1) Adding the following to the definition of "personal information":
 - (A) Local location data;



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- (B) Online identifiers such as Internet Protocol (IP) addresses and cookies; and
 - (C) Factors relating to an individual's physical, genetic, mental, economic, or social identity; and
- (2) Amending the definition of "specified data element" to include the last five or more digits of an individual's social security number.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1038, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1038, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Technology,



GREGGOR L. LAGAN, Chair



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Bill/Resolution No.: SB 1038 SDI		Committee Referral: ECD, CPC		Date: 3/14/25	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
ECD Members		Ayes	Ayes (WR)	Nays	Excused
1. ILAGAN, Greggor (C)		/			
2. HUSSEY, Ikaika (VC)		/			
3. HOLT, Daniel					/
4. TAM, Adrian K.		/			
5. TEMPLO, Shirley Ann		/			
6. TODD, Chris		/			
7. MATSUMOTO, Lauren		/			
TOTAL (7)		6	-	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					