

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 1, 2008
POSITION: Neutral

BILL NUMBER: SB 364
AUTHOR: J. Simitian

BILL SUMMARY

This bill would require any state agency, person, or business that experiences a specified breach of consumer data and provides specified substitute notification to major statewide media, to also notify the Attorney General.

FISCAL SUMMARY

It is estimated that any costs associated with the reporting requirements of this bill would be minor and absorbable for the Attorney General.

COMMENTS

The intent of this bill is to keep the Attorney General informed of any security breach where impacted persons may not have been contacted directly. This bill is joined to Assembly Bill 1779 (D. Jones) and shall only become operative if that bill is enacted in the 2007-08 Regular Session and takes effect on or before January 1, 2009. AB 1779 requires that a business, person, or state agency that experiences a security breach and uses alternative notification provide notice to the Office of Information Security and Privacy Protection.

Existing law:

- Requires any state agency, person, or business that owns or licenses computerized personal information, as specified, to disclose any security breach of that data to a California resident when unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person.
- Allows for disclosure by written notice, electronic notice, or if the cost of providing notification exceeds \$250,000 or the number of affected persons exceeds 500,000, to utilize substitute notification.
- Defines substitute notification as e-mail, conspicuous posting on the web, and notification to major statewide media.

This bill would require the state agency, person, or business to also notify the Attorney General if substitute notification is the disclosure methodology used and provide a sample of that notification. At the person or businesses discretion they may also specify what they are doing to protect the individuals and any advice on steps to take in protecting themselves that is provided to those individuals.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								Fund Code
	SO	LA	CO	PROP	FC	FC	FC	FC	
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	
0820/Justice	SO	No		-----	No/Minor	Fiscal Impact	-----		0001

Analyst/Principal (0240) K. Shelton	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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