

**SB0525/947673/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 525  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 10, after “given;” insert “authorizing a certain business to provide a certain required notice in a certain manner under certain circumstances; providing that a certain business and a certain affiliate that comply with a certain federal law shall be deemed to be in compliance with certain provisions of law;”; in line 11, after “definitions;” insert “providing for a delayed effective date;”; in line 16, strike “14-3506” and substitute “14-3507”; and in line 21, strike “14-3507” and substitute “14-3506”.

AMENDMENT NO. 2

On page 2, in line 12, strike “, **IN STORAGE OR IN TRANSIT,**”; strike beginning with the colon in line 13 down through “**RENDERS**” in line 18 and substitute “RENDERS”; after line 19, insert:

**“(D) “HEALTH INFORMATION” MEANS ANY INFORMATION CREATED BY AN ENTITY COVERED BY THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 REGARDING AN INDIVIDUAL’S MEDICAL HISTORY, MEDICAL CONDITION, OR MEDICAL TREATMENT OR DIAGNOSIS.”;**

in line 20, strike “(d)” and substitute “**(E)**”; in the same line, strike “an” and substitute “**:**”

**(I) AN**”;

in lines 24, 27, and 29, strike “(i)”, “(ii)”, and “(iii)”, respectively, and substitute “**1.**”, “**2.**”, and “**3.**”, respectively; in line 29, strike “A financial” and substitute “**AN**”; in the same

(Over)

line, strike “including”; in the same line, after the second “number” insert a comma; in the same line, after “or” insert “A”; in line 30, strike “that”; and in line 31, strike “would permit” and substitute “THAT PERMITS”.

On page 3, in lines 1, 4, and 11, strike “(iv)”, “(V)”, and “(VII)”, respectively, and substitute “4.”, “5.”, and “6.”, respectively; in line 1, strike “MEDICAL” and substitute “HEALTH”; in line 4, after “POLICY” insert “OR CERTIFICATE”; in line 5, strike “THAT”; in line 6, after “INSURER” insert “OR AN EMPLOYER THAT IS SELF-INSURED”; in the same line, strike “WOULD PERMIT” and substitute “THAT PERMITS”; in line 7, strike “MEDICAL” and substitute “HEALTH”; in the same line, after “INFORMATION;” insert “OR”; strike in their entirety lines 8 through 10, inclusive; in line 11, strike “ANY BIOMETRIC” and substitute “BIOMETRIC”; in line 11, strike “, INCLUDING” and substitute “GENERATED BY AUTOMATIC MEASUREMENTS OF AN INDIVIDUAL’S BIOLOGICAL CHARACTERISTICS SUCH AS”; in line 12, strike the first “OR”; in the same line, after “IMAGE,” insert “OR OTHER UNIQUE BIOLOGICAL CHARACTERISTIC,”; and in line 13, strike “IDENTIFY THE INDIVIDUAL” and substitute “UNIQUELY AUTHENTICATE THE INDIVIDUAL’S IDENTITY WHEN THE INDIVIDUAL ACCESSES A SYSTEM OR ACCOUNT; OR”

**(II) A USER NAME OR E-MAIL ADDRESS IN COMBINATION WITH A PASSWORD OR SECURITY QUESTION AND ANSWER THAT PERMITS ACCESS TO AN INDIVIDUAL’S E-MAIL ACCOUNT**.

On pages 3 and 4, strike in their entirety the lines beginning with line 21 on page 3 through line 12 on page 4, inclusive.

On page 5, in lines 17 and 20, in each instance, strike “ACCESSING OR”; in lines 26, 27, and 28, in each instance, strike the bracket; strike beginning with “WHETHER” in line 26 down through “THE” in line 27; in line 28, strike “OCCURRED”; and strike beginning with “AN” in line 30 down through “system” in line 32 and substitute “THE”

**BREACH OF THE SECURITY OF A SYSTEM CREATES A LIKELIHOOD THAT PERSONAL INFORMATION HAS BEEN OR WILL BE MISUSED**".

On page 6, in lines 1 and 14, in each instance, strike "30" and substitute "45"; in line 8, after "information" insert "OF AN INDIVIDUAL RESIDING IN THE STATE"; in the same line, after "license" insert ", WHEN IT DISCOVERS OR IS NOTIFIED OF A BREACH OF THE SECURITY OF A SYSTEM,"; in the same line, after "notify" insert ", AS SOON AS PRACTICABLE,"; in line 9, strike the first "a" and substitute "THE"; strike beginning with "if" in line 9 down through "State" in line 11; and in line 29, strike "subsections (b) and (c)" and substitute "SUBSECTION (B)".

On page 7, in line 20, strike "The" and substitute "EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, THE".

On page 8, after line 6, insert:

**"(I) (1) IN THE CASE OF A BREACH OF THE SECURITY OF A SYSTEM INVOLVING PERSONAL INFORMATION THAT PERMITS ACCESS TO AN INDIVIDUAL'S E-MAIL ACCOUNT UNDER § 14-3501(E)(1)(II) OF THIS SUBTITLE AND NO OTHER PERSONAL INFORMATION UNDER § 14-3501(E)(1)(I) OF THIS SUBTITLE, THE BUSINESS MAY COMPLY WITH THE NOTIFICATION REQUIREMENT UNDER SUBSECTION (B) OF THIS SECTION BY PROVIDING THE NOTIFICATION IN ELECTRONIC OR OTHER FORM THAT DIRECTS THE INDIVIDUAL WHOSE PERSONAL INFORMATION HAS BEEN BREACHED PROMPTLY TO:**

**(I) CHANGE THE INDIVIDUAL'S PASSWORD AND SECURITY QUESTION OR ANSWER, AS APPLICABLE; OR**

**(II) TAKE OTHER STEPS APPROPRIATE TO PROTECT THE E-MAIL ACCOUNT WITH THE BUSINESS AND ALL OTHER ONLINE ACCOUNTS FOR**

(Over)

WHICH THE INDIVIDUAL USES THE SAME USER NAME OR E-MAIL AND PASSWORD OR SECURITY QUESTION OR ANSWER.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE NOTIFICATION PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE GIVEN TO THE INDIVIDUAL BY ANY METHOD DESCRIBED IN THIS SECTION.

(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE NOTIFICATION PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE GIVEN TO THE INDIVIDUAL BY SENDING NOTIFICATION BY E-MAIL TO THE E-MAIL ACCOUNT AFFECTED BY THE BREACH.

(II) THE NOTIFICATION PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE GIVEN BY A CLEAR AND CONSPICUOUS NOTICE DELIVERED TO THE INDIVIDUAL ONLINE WHILE THE INDIVIDUAL IS CONNECTED TO THE AFFECTED E-MAIL ACCOUNT FROM AN INTERNET PROTOCOL ADDRESS OR ONLINE LOCATION FROM WHICH THE BUSINESS KNOWS THE INDIVIDUAL CUSTOMARILY ACCESSES THE ACCOUNT.”;

in lines 7 and 9, strike “(i)” and “(j)”, respectively, and substitute “**(J)**” and “**(K)**”, respectively; in line 18, strike the brackets; strike beginning with “NOT” in line 18 down through “INDIVIDUALS” in line 19; and in line 26, after “(c)(1)” insert “**OR (D)(1)**”.

On page 9, after line 11, insert:

“(D) (1) A BUSINESS THAT IS SUBJECT TO AND IN COMPLIANCE WITH THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 SHALL BE DEEMED TO BE IN COMPLIANCE WITH THIS SUBTITLE.

**(2) AN AFFILIATE THAT IS IN COMPLIANCE WITH THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 SHALL BE DEEMED TO BE IN COMPLIANCE WITH THIS SUBTITLE.**”;

and in line 19, strike “October 1, 2017” and substitute “January 1, 2018”.