

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB971

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Shannon

3. Committee: Science and Technology

4. Title: Database breach notification.

5. Summary: Requires a person or business that conducts business in Virginia and that owns or licenses computerized data that includes personal information to conduct a reasonable investigation to promptly determine the likelihood that personal information has been or will be misused when it becomes aware of an incident of unauthorized access to personal customer information. Notification must be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement. The bill also contains alternative notification provisions. Any customer injured by a violation of this section may institute a civil action to recover actual damages or to enjoin any business that violates or has violated this section.

6. Fiscal Impact Estimates are: Indeterminate. (See line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications: The fiscal impact of this bill is indeterminate as it is dependent on the number of persons whose data is breached and the cost of the notification, two factors which cannot be foreseen but can alter impact significantly. The Office of the Attorney General may also incur costs associated with the enforcement of this bill.

9. Specific agency or political subdivisions affected: All state agencies and political subdivisions.

10. Technical amendment necessary: No.

11. Other comments: This bill is similar to HB2140, HB1469, HB1052, and SB307.

Date: 01/23/08 wfb

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cc: Secretary of Technology