

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1469

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: Byron

3. Committee: Science and Technology

4. Title: Database breach notification.

5. Summary: Requires an individual or entity that owns or licenses computerized data that includes personal information to disclose any breach of the security of the system following discovery or notification of the breach to any resident of the Commonwealth whose unencrypted and unredacted personal information was, or is reasonably believed to have been accessed and acquired by an unauthorized person. A breach is defined as the unauthorized access and acquisition of unencrypted and unredacted computerized data that compromises the security or confidentiality of personal information maintained by an individual or entity as part of a database of personal information regarding multiple individuals and that causes, or the individual or entity reasonably believes has caused, or will cause, identity theft or other fraud to any resident of the Commonwealth. Violations by a state-chartered or licensed financial institution shall be enforceable exclusively by the financial institution's primary state regulator. All other violations shall be enforced by the Office of the Attorney General, which may obtain either actual damages or a civil penalty not to exceed \$150,000 per breach or series of breaches of a similar nature that are discovered in a single investigation.

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

7. Budget amendment necessary: No.

8. Fiscal implications: The fiscal impact of this bill is dependent on the number of persons whose unencrypted data is breached and the cost of the notification. The Virginia Information Technologies Agency will incur additional administrative processing costs if unencrypted personal data is breached. 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, SB307, HB1052, and HB971.

Date: 01/23/08 wfb

Document: G:\BOS Stuff\2008 Session\2008 Legislation\HB1469.Doc

cc: Secretary of Technology