

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB1504

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:** Nixon

**3. Committee:** Science and Technology

**4. Title:** **Compromised Data Notification Act**

**5. Summary:** Creates the Compromised Data Notification Act, which, following discovery or notification of a breach of a security system, requires a state agency that owns or licenses computerized data that includes personal information to provide notice of the breach to all residents of Virginia whose unencrypted personal information was or is reasonably believed to have been acquired by an unauthorized person. The notice shall be given in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the system.

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

**7. Budget amendment necessary:** None.

**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.

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

**10. Technical amendment necessary:** None.

**11. Other comments:** None.

**Date:** 01/24/08 wfb

**Document:** G:\BOS Stuff\2008 Session\2008 Legislation\HB1504.Doc

**cc:** Secretary of Technology