

Honolulu, Hawaii

APRIL 27 , 2006

RE: S.B. No. 2292  
S.D. 2  
H.D. 1  
C.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2292, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DESTRUCTION OF PERSONAL INFORMATION RECORDS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to require businesses and government agencies that maintain or possess personal information of Hawaii residents to protect against unauthorized access to or use of the information after its disposal by properly destroying the personal information.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. Business records are a leading source of personal information for identity thieves. Your Committee on Conference



finds that any business or government agency that maintains personal information as part of its business operations should establish security procedures to maintain the confidentiality and integrity of that information.

Your Committee on Conference has amended this measure by:

- (1) Correcting the citation for the Fair Credit Reporting Act under § -2(e)(3);
- (2) Amending the penalty provisions to:
  - (A) Allow the Attorney General or the Executive Director of the Office of Consumer Protection to bring a cause of action against any business that violates any provision of this measure, and to seek a penalty of not more than \$2,500 for each violation;
  - (B) Allow a private cause of action for a sum equal to the actual damages sustained by the injured party; and
  - (C) Allow the court to award reasonable attorneys' fees to the prevailing party, and clarify that both penalty actions cannot be brought against a government agency;
- (3) Requiring government agencies to submit a detailed written report to the Legislature within twenty days after discovering a material occurrence of an unauthorized access to personal information records in connection with or after its disposal by or on behalf of the government agency, unless the report will impede a criminal investigation;
- (4) Changing the effective date from July 1, 2050 to January 1, 2007; and
- (5) Making nonsubstantive, technical amendments for style and format of the Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2292, S.D. 2, H.D. 1, as amended herein, and recommends

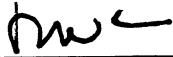


that it pass Final Reading in the form attached hereto as S.B.  
No. 2292, S.D. 2, H.D. 1, C.D. 1.


Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ROBERT N. HERKES, Co-Chair



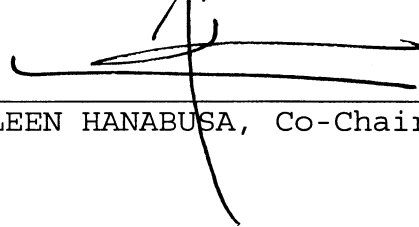
RON MENOR, Chair



SYLVIA LUKE, Co-Chair



CAROL FUKUNAGA, Co-Chair



COLLEEN HANABUSA, Co-Chair



**Hawaii State Legislature**  
**Record of Votes of a**  
**Conference Committee**

Bill / Concurrent Resolution No.: <b>SB 2292, SD 2, HD 1</b>	Date/Time: <b>4/27/06 5:53 p</b>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure


The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

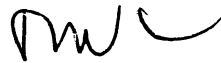
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
MENOR, Ron, Chr.				✓	HERKES, Robert N., Co-Chr.	✓			
FUKUNAGA, Carol, Co-Chr.	✓				LUKE, Sylvia, Co-Chr.	✓			
HANABUSA, Colleen, Co-Chr.	✓				MARUMOTO, Barbara C.	✓			
BAKER, Rosalyn H.	✓								
WHALEN, Paul				✓					
<b>TOTAL</b>	<b>3</b>			<b>2</b>	<b>TOTAL</b>	<b>3</b>			

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is:  
 Adopted       Not Adopted

House Recommendation is:  
 Adopted       Not Adopted

Senate Lead Chair's or Designee's Signature:  


House Lead Chair's or Designee's Signature:  


Distribution:      Original      Yellow      Pink      Goldenrod  
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