

STAND. COM. REP. NO. 544

Honolulu, Hawaii
Feb 18, 2011

RE: H.B. No. 1220
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 1220 entitled:

"A BILL FOR AN ACT RELATING TO INFORMATION PRIVACY,"

beg leave to report as follows:

The purpose of this bill is to provide a private cause of
action for victims who suffer a risk of harm from identity theft
as the result of an information security breach.

The Department of Accounting and General Services, and a
concerned individual supported this measure. The Hawaiian
Electric Company, Inc., Hawaii Electric Light Company, Inc., and
Maui Electric Company Inc., the Consumer Data Industry
Association, the State Privacy and Security Coalition, Inc., the
Hawaii Bankers Association, the American Council of Life Insurers,
and the Hawaii Credit Union League opposed this bill. The
Department of Human Resources of the City and County of Honolulu
and Verizon provided comments.

Your Committees have amended this bill by:

- (1) Requiring every business and government agency that
maintains personal information of any residents of the
State to implement a comprehensive written information
security program;

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- (2) Deleting the requirement that notice of a security breach include the distribution medium and method of the security breach;
- (3) Excluding entities in compliance with a security program from triple damages, limiting their damages to actual damages only;
- (4) Making technical, nonsubstantive amendments for clarity, style, and consistency; and
- (5) Changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1220, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1220, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



GILBERT KEITH-AGARAN, Chair



ROBERT N. HERKES, Chair



