

Honolulu, Hawaii

March 23, 2012

RE: S.B. No. 2419
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred S.B. No. 2419, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to protect personal information in certain circumstances by allowing the scanning and retention of personal information contained in a state identification card or driver's license for limited purposes.

The Department of Customer Services of the City and County of Honolulu, American Civil Liberties Union of Hawaii, Retail Merchants of Hawaii, and Retail Equation testified in support of this measure. The Office of Consumer Protection testified in support of the intent of this measure. Verizon testified in opposition to this measure. The Consumer Data Industry Association provided comments on this measure.

Your Committee has amended this measure by, among other things:

- (1) Specifying that a business may scan the machine-readable zone of an individual's Hawaii identification card or driver's license for the purposes of:



- (A) Verifying the authenticity of the identification card;
 - (B) Verifying the identity of an individual, if the individual requests an exchange;
 - (C) Verifying the individual's age when providing age-restricted goods or services to the individual if there is any reasonable doubt of the individual having reached eighteen years of age or older;
 - (D) Transmitting information to a consumer reporting agency, financial institution, or debt collector as permitted by the federal Fair Credit Reporting Act, Gramm-Leach-Bliley Act, or Fair Debt Collection Practices Act; and
 - (E) Recording, retaining, or transmitting information by certain entities governed by the medical privacy and security rules issued by the federal Department of Health and Human Services, Parts 160 and 164 of the Code of Federal Regulations;
- (2) Limiting the information collected by scanning an individual's Hawaii identification card or driver's license if the individual returns or requests a refund or an exchange and the business uses a fraud prevention service company or system;
 - (3) Removing the requirement that any information obtained by certain businesses from scanning the machine-readable zone of an individual's certificate of identification or driver's license shall be purged or deleted no later than five days after it is obtained;
 - (4) Adding a definition for "covered entity", to conform to the security rules issued by the federal Department of Health and Human Services, Parts 160 and 164 of the Code of Federal Regulations, established pursuant to the Health Insurance Portability and Availability Act of 1996; and
 - (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2419, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 2419, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No. (HSCR1042-12) SB 2419, SD2, HD1	Committee Referral: TRN, ERB, JUD	Date: 3/22/12
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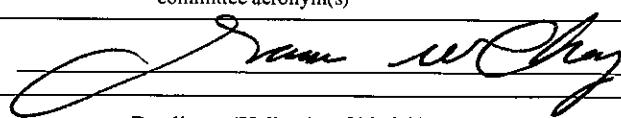
The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. AWANA, Karen L.				✓
4. BROWER, Tom				✓
5. EVANS, Cindy	✓			
6. HASHEM, Mark J.	✓			
7. NISHIMOTO, Scott Y.	✓			
8. TOKIOKA, James Kunane	✓			
9. TSUJI, Clift	✓			
10. MARUMOTO, Barbara C.	✓			
11. PINE, Kymberly Marcos				✓
TOTAL (11)	8	—	—	3

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
 committee acronym(s)

Vice Chair's or designee's signature: _____



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