

SB 1551 B STAFF MEASURE SUMMARY**Carrier:** Rep. Holvey**House Committee On Business and Labor****Action Date:** 02/26/18**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 11-0-0-0**Yeas:** 11 - Barreto, Boles, Bynum, Doherty, Evans, Fahey, Heard, Holvey, Kennemer, Piluso, Wilson**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Jan Nordlund, LPRO Analyst**WHAT THE MEASURE DOES:**

Modifies Oregon Consumer Identity Theft Protection Act. Prohibits consumer reporting agency from charging consumer a fee to place, remove, or temporarily lift a security freeze. Clarifies that person with duty to give notice of breach is person who owns, licenses, or otherwise possesses personal information that was breached. Requires notice of breach in most expeditious manner but no later than 45 days of discovery or notification of breach. Prohibits person giving notice of breach from requiring consumer to provide credit or debit card information or accept other for-fee services as a condition of accepting free credit monitoring or identity theft prevention and mitigation services. Allows additional services to be offered for a fee if person notifies consumer separately, distinctly, clearly, and conspicuously that offer is for paid services. Extends requirements to third-party contractors providing credit monitoring services or identity theft prevention and mitigation services. Strengthens standards for safeguarding personal information. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Comparison to House Bill 4147 (2018)
- Parties who developed amendment
- Existing statutory protections for small businesses whose safeguards are appropriate for their size and complexity given the sensitivity of the personal information they collect

EFFECT OF AMENDMENT:

Enhances administrative, technical, and physical safeguards included in an information security program. Clarifies who must provide notice to consumers and, if required, the Attorney General, when breach of security occurs.

BACKGROUND:

Oregon enacted the Consumer Identity Theft Protection Act in 2007. Under the law, consumers must be given notice when a data breach of their personal information occurs; if more than 250 consumers are affected, notice must also be given to the Attorney General. The statutes also require personal information be safeguarded by those who own, maintain, or possess such information. Consumers have the right to protect their information by requesting the consumer reporting agencies freeze access to their consumer report. Under Oregon statutes, consumer reporting agencies are limited to charging no more than \$10 for placing or removing a security freeze. Victims of identity theft may not be charged a fee. Several states have prohibited the consumer reporting agencies from charging any fees to consumers wishing to freeze access to their information.

According to the Identity Theft Resource Center, there were 1,579 separate data breaches in 2017, with nearly 180 million individual records exposed. One breach reported in 2017 exposed the names, social security numbers, dates of birth, and, in some cases, driver license numbers of 143 million Americans, with 209,000 individuals having their credit card numbers stolen. In response to that breach, a work group was formed to begin revising and updating Oregon's Consumer Identity Theft Protection Act.

SB 1551 B STAFF MEASURE SUMMARY

Senate Bill 1551-B is the product of that work group. It provides free-of-charge placement, removal, and temporary lifts of credit account freezes. If an entity suffers a data breach, the notice of that breach must be given to the consumer in the most expeditious manner but within 45 days. Additionally, if the entity that suffers a breach provides free credit monitoring or mitigation services to consumers, the entity may not condition acceptance of the free offer on the consumer providing a credit or debit card number. If the entity wishes to offer other services, it must be offered separately and distinctly from the free service. The measure also strengthens the safeguards to protect the security, confidentiality, and integrity of personal information.