

2019 Cal AB 1130

Chaptered, October 11, 2019

Reporter

2019 Cal ALS 750; 2019 Cal AB 1130; 2019 Cal Stats. ch. 750

CALIFORNIA ADVANCE LEGISLATIVE SERVICE > 2019 Regular Session > CHAPTER 750 > Assembly Bill No. 1130

Notice

Added: Text highlighted in green

Deleted: ~~Red text with a strikethrough~~

Digest

LEGISLATIVE COUNSEL'S DIGEST

AB 1130, Levine. Personal information: data breaches.

Existing law defines and regulates the use of personal information by public agencies and businesses. The Information Practices Act of 1977 requires a public agency, as defined, that owns or licenses computerized data that includes personal information to disclose any breach of the security of the system following discovery or notification of the breach, as specified. Existing law imposes the same duty on a person or business in California that owns or licenses computerized data that includes personal information and generally requires that such a business implement and maintain reasonable security procedures and practices. Existing law authorizes a person or business that is required to issue a security breach notification to include in that notification specified information.

This bill would revise the definition of personal information for purposes of the provisions described above to add specified unique biometric data and tax identification numbers, passport numbers, military identification numbers, and unique identification numbers issued on a government document in addition to those for driver's licenses and California identification cards to these provisions. This bill would authorize a person or business that is required to issue a security breach notification, as described above, to include in a notification for a breach involving biometric data, instructions on how to notify other entities that used the same type of biometric data as an authenticator to no longer rely on data for authentication purposes.

Vote Required: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: NO Immediate Effect NO Urgency: NO Tax Levy: NO Election: NO Usual Current Expenses: NO Budget Bill: NO Prop 25 Trailer Bill: NO

Synopsis

An act to amend Sections 1798.29, 1798.81.5, and [1798.82 of the Civil Code](#), relating to information privacy.

[Approved by Governor October 11, 2019. Filed with Secretary of State October 11, 2019.]

Text

The people of the State of California do enact as follows:

SECTION 1. Section [1798.29](#) of the Civil Code is amended to read:

1798.29.

- (a) Any agency that owns or licenses computerized data that includes personal information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California (1) whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person, or, (2) whose encrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person and the encryption key or security credential was, or is reasonably believed to have been, acquired by an unauthorized person and the agency that owns or licenses the encrypted information has a reasonable belief that the encryption key or security credential could render that personal information readable or **useable** **usable**. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.
- (b) Any agency that maintains computerized data that includes personal information that the agency does not own shall notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.
- (c) The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made after the law enforcement agency determines that it will not compromise the investigation.
- (d) Any agency that is required to issue a security breach notification pursuant to this section shall meet all of the following requirements:
 - (1) The security breach notification shall be written in plain language, shall be titled "Notice of Data Breach," and shall present the information described in paragraph (2) under the following headings: "What Happened," "What Information Was Involved," "What We Are Doing," "What You Can Do," and "For More Information." Additional information may be provided as a supplement to the notice.
 - (A) The format of the notice shall be designed to call attention to the nature and significance of the information it contains.
 - (B) The title and headings in the notice shall be clearly and conspicuously displayed.
 - (C) The text of the notice and any other notice provided pursuant to this section shall be no smaller than 10-point type.
 - (D) For a written notice described in paragraph (1) of subdivision (i), use of the model security breach notification form prescribed below or use of the headings described in this paragraph with the information described in paragraph (2), written in plain language, shall be deemed to be in compliance with this subdivision.

[NAME OF INSTITUTION / LOGO] _____		Date: [insert date]
NOTICE OF DATA BREACH		
What Happened?		
What Information Was Involved?		
What We Are Doing.		
What You Can Do.		
Other Important Information.		
[insert other important information]		
For More Information.	Call [telephone number] or go to [Internet Web site internet website]	

- (E) For an electronic notice described in paragraph (2) of subdivision (i), use of the headings described in this paragraph with the information described in paragraph (2), written in plain language, shall be deemed to be in compliance with this subdivision.
- (2) The security breach notification described in paragraph (1) shall include, at a minimum, the following information:
- (A) The name and contact information of the reporting agency subject to this section.
 - (B) A list of the types of personal information that were or are reasonably believed to have been the subject of a breach.
 - (C) If the information is possible to determine at the time the notice is provided, then any of the following: (i) the date of the breach, (ii) the estimated date of the breach, or (iii) the date range within which the breach occurred. The notification shall also include the date of the notice.
 - (D) Whether the notification was delayed as a result of a law enforcement investigation, if that information is possible to determine at the time the notice is provided.
 - (E) A general description of the breach incident, if that information is possible to determine at the time the notice is provided.
 - (F) The toll-free telephone numbers and addresses of the major credit reporting agencies, if the breach exposed a social security number or a driver's license or California identification card number.
- (3) At the discretion of the agency, the security breach notification may also include any of the following:
- (A) Information about what the agency has done to protect individuals whose information has been breached.
 - (B) Advice on steps that ~~the person~~ **people** whose information has been breached may take to protect ~~himself or herself~~ **themselves**.
- (e) Any agency that is required to issue a security breach notification pursuant to this section to more than 500 California residents as a result of a single breach of the security system shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General. A single sample copy of a security breach notification shall not be deemed to be within subdivision (f) of *Section 6254 of the Government Code*.
- (f) For purposes of this section, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the agency. Good faith acquisition of personal information by an employee or agent of the agency for the purposes of the agency is not a breach of the security of the system, provided that the personal information is not used or subject to further unauthorized disclosure.
- (g) For purposes of this section, "personal information" means either of the following:
- (1) An individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:
 - (A) Social security number.
 - (B) Driver's license number ~~or~~ California identification card number, **tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.**
 - (C) Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.
 - (D) Medical information.

(E) Health insurance information.

(F) Unique biometric data generated from measurements or technical analysis of human body characteristics, such as a fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes.

(F)(G) Information or data collected through the use or operation of an automated license plate recognition system, as defined in Section 1798.90.5.

(2) A ~~user name~~username or email address, in combination with a password or security question and answer that would permit access to an online account.

(h)

(1) For purposes of this section, "personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(2) For purposes of this section, "medical information" means any information regarding an individual's medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional.

(3) For purposes of this section, "health insurance information" means an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records.

(4) For purposes of this section, "encrypted" means rendered unusable, unreadable, or indecipherable to an unauthorized person through a security technology or methodology generally accepted in the field of information security.

(i) For purposes of this section, "notice" may be provided by one of the following methods:

(1) Written notice.

(2) Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in Section 7001 of Title 15 of the United States Code.

(3) Substitute notice, if the agency demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars (\$250,000), or that the affected class of subject persons to be notified exceeds 500,000, or the agency does not have sufficient contact information. Substitute notice shall consist of all of the following:

(A) Email notice when the agency has an email address for the subject persons.

(B) Conspicuous posting, for a minimum of 30 days, of the notice on the agency's ~~Internet-Web site~~internet website page, if the agency maintains one. For purposes of this subparagraph, conspicuous posting on the agency's ~~Internet-Web site~~internet website means providing a link to the notice on the home page or first significant page after entering the ~~Internet-Web site~~internet website that is in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks that call attention to the link.

(C) Notification to major statewide media and the Office of Information Security within the Department of Technology.

(4) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (g) for an online account, and no other personal information defined in paragraph (1) of subdivision (g), the agency may comply with this section by providing the security breach notification in electronic or other form that directs the person whose personal information has been breached to promptly change ~~his or her~~the person's password and security question or

answer, as applicable, or to take other steps appropriate to protect the online account with the agency and all other online accounts for which the person uses the same ~~user-name~~username or email address and password or security question or answer.

- (5) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (g) for login credentials of an email account furnished by the agency, the agency shall not comply with this section by providing the security breach notification to that email address, but may, instead, comply with this section by providing notice by another method described in this subdivision or by clear and conspicuous notice delivered to the resident online when the resident is connected to the online account from an Internet Protocol address or online location from which the agency knows the resident customarily accesses the account.
- (j) Notwithstanding subdivision (i), an agency that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this part shall be deemed to be in compliance with the notification requirements of this section if it notifies subject persons in accordance with its policies in the event of a breach of security of the system.
- (k) Notwithstanding the exception specified in paragraph (4) of subdivision (b) of Section 1798.3, for purposes of this section, "agency" includes a local agency, as defined in subdivision (a) of *Section 6252 of the Government Code*.
- (l) For purposes of this section, "encryption key" and "security credential" mean the confidential key or process designed to render the data ~~useable~~usable, readable, and decipherable.

SEC. 2. Section [1798.81.5](#) of the Civil Code is amended to read:

1798.81.5.

- (a)
 - (1) It is the intent of the Legislature to ensure that personal information about California residents is protected. To that end, the purpose of this section is to encourage businesses that own, license, or maintain personal information about Californians to provide reasonable security for that information.
 - (2) For the purpose of this section, the terms "own" and "license" include personal information that a business retains as part of the business' internal customer account or for the purpose of using that information in transactions with the person to whom the information relates. The term "maintain" includes personal information that a business maintains but does not own or license.
- (b) A business that owns, licenses, or maintains personal information about a California resident shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.
- (c) A business that discloses personal information about a California resident pursuant to a contract with a nonaffiliated third party that is not subject to subdivision (b) shall require by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.
- (d) For purposes of this section, the following terms have the following meanings:
 - (1) "Personal information" means either of the following:
 - (A) An individual's first name or first initial and ~~his or her~~the individual's last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted or redacted:

- (i) Social security number.
 - (ii) Driver's license number ~~or~~, California identification card number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.
 - (iii) Account number, ~~or~~ credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.
 - (iv) Medical information.
 - (v) Health insurance information.
 - (vi) Unique biometric data generated from measurements or technical analysis of human body characteristics, such as a fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes.
- (B) A username or email address in combination with a password or security question and answer that would permit access to an online account.
- (2) "Medical information" means any individually identifiable information, in electronic or physical form, regarding the individual's medical history or medical treatment or diagnosis by a health care professional.
- (3) "Health insurance information" means an individual's insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records.
- (4) "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
- (e) The provisions of this section do not apply to any of the following:
- (1) A provider of health care, health care service plan, or contractor regulated by the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1).
 - (2) A financial institution as defined in [Section 4052 of the Financial Code](#) and subject to the California Financial Information Privacy Act (Division 1.2 (commencing with [Section 4050](#)) of the [Financial Code](#)).
 - (3) A covered entity governed by the medical privacy and security rules issued by the federal Department of Health and Human Services, Parts 160 and 164 of Title 45 of the Code of Federal Regulations, established pursuant to the Health Insurance Portability and Availability Act of 1996 (HIPAA).
 - (4) An entity that obtains information under an agreement pursuant to Article 3 (commencing with [Section 1800](#)) of [Chapter 1 of Division 2 of the Vehicle Code](#) and is subject to the confidentiality requirements of the Vehicle Code.
 - (5) A business that is regulated by state or federal law providing greater protection to personal information than that provided by this section in regard to the subjects addressed by this section. Compliance with that state or federal law shall be deemed compliance with this section with regard to those subjects. This paragraph does not relieve a business from a duty to comply with any other requirements of other state and federal law regarding the protection and privacy of personal information.

1798.82.

- (a) A person or business that conducts business in California, and that owns or licenses computerized data that includes personal information, shall disclose a breach of the security of the system following discovery or notification of the breach in the security of the data to a resident of California (1) whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person, or, (2) whose encrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person and the encryption key or security credential was, or is reasonably believed to have been, acquired by an unauthorized person and the person or business that owns or licenses the encrypted information has a reasonable belief that the encryption key or security credential could render that personal information readable or ~~useable~~usable. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.
- (b) A person or business that maintains computerized data that includes personal information that the person or business does not own shall notify the owner or licensee of the information of the breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.
- (c) The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made promptly after the law enforcement agency determines that it will not compromise the investigation.
- (d) A person or business that is required to issue a security breach notification pursuant to this section shall meet all of the following requirements:
 - (1) The security breach notification shall be written in plain language, shall be titled "Notice of Data Breach," and shall present the information described in paragraph (2) under the following headings: "What Happened," "What Information Was Involved," "What We Are Doing," "What You Can Do," and "For More Information." Additional information may be provided as a supplement to the notice.
 - (A) The format of the notice shall be designed to call attention to the nature and significance of the information it contains.
 - (B) The title and headings in the notice shall be clearly and conspicuously displayed.
 - (C) The text of the notice and any other notice provided pursuant to this section shall be no smaller than 10-point type.
 - (D) For a written notice described in paragraph (1) of subdivision (j), use of the model security breach notification form prescribed below or use of the headings described in this paragraph with the information described in paragraph (2), written in plain language, shall be deemed to be in compliance with this subdivision.

[NAME OF INSTITUTION / LOGO] Date: [insert date]

NOTICE OF DATA BREACH

What Happened?

What Information Was
Involved?

What We Are Doing.

What You Can Do.

Other Important Information.

[insert other important information]

For More Information.

Call [telephone number] or go to [~~Internet Web site~~ internet website]

- (E) For an electronic notice described in paragraph (2) of subdivision (j), use of the headings described in this paragraph with the information described in paragraph (2), written in plain language, shall be deemed to be in compliance with this subdivision.
- (2) The security breach notification described in paragraph (1) shall include, at a minimum, the following information:
- (A) The name and contact information of the reporting person or business subject to this section.
 - (B) A list of the types of personal information that were or are reasonably believed to have been the subject of a breach.
 - (C) If the information is possible to determine at the time the notice is provided, then any of the following: (i) the date of the breach, (ii) the estimated date of the breach, or (iii) the date range within which the breach occurred. The notification shall also include the date of the notice.
 - (D) Whether notification was delayed as a result of a law enforcement investigation, if that information is possible to determine at the time the notice is provided.
 - (E) A general description of the breach incident, if that information is possible to determine at the time the notice is provided.
 - (F) The toll-free telephone numbers and addresses of the major credit reporting agencies if the breach exposed a social security number or a driver's license or California identification card number.
 - (G) If the person or business providing the notification was the source of the breach, an offer to provide appropriate identity theft prevention and mitigation services, if any, shall be provided at no cost to the affected person for not less than 12 months along with all information necessary to take advantage of the offer to any person whose information was or may have been breached if the breach exposed or may have exposed personal information defined in subparagraphs (A) and (B) of paragraph (1) of subdivision (h).
- (3) At the discretion of the person or business, the security breach notification may also include any of the following:
- (A) Information about what the person or business has done to protect individuals whose information has been breached.
 - (B) Advice on steps that ~~the person~~ people whose information has been breached may take to protect ~~himself or herself~~ themselves.
 - (C) In breaches involving biometric data, instructions on how to notify other entities that used the same type of biometric data as an authenticator to no longer rely on data for authentication purposes.
- (e) A covered entity under the federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.) will be deemed to have complied with the notice requirements in subdivision (d) if it has complied completely with Section 13402(f) of the federal Health Information Technology for Economic and Clinical Health Act (*Public Law 111-5*). However, nothing in this subdivision shall be construed to exempt a covered entity from any other provision of this section.
- (f) A person or business that is required to issue a security breach notification pursuant to this section to more than 500 California residents as a result of a single breach of the security system shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General. A single sample copy of a security breach notification shall not be deemed to be within subdivision (f) of *Section 6254 of the Government Code*.
- (g) For purposes of this section, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the person or business. Good faith acquisition of personal information by an employee

or agent of the person or business for the purposes of the person or business is not a breach of the security of the system, provided that the personal information is not used or subject to further unauthorized disclosure.

(h) For purposes of this section, “personal information” means either of the following:

- (1) An individual’s first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:
 - (A) Social security number.
 - (B) Driver’s license number ~~or~~, California identification card number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.
 - (C) Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual’s financial account.
 - (D) Medical information.
 - (E) Health insurance information.
 - (F) Unique biometric data generated from measurements or technical analysis of human body characteristics, such as a fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes.
 - (G) Information or data collected through the use or operation of an automated license plate recognition system, as defined in Section 1798.90.5.
- (2) A ~~user name~~username or email address, in combination with a password or security question and answer that would permit access to an online account.

(i)

- (1) For purposes of this section, “personal information” does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
- (2) For purposes of this section, “medical information” means any information regarding an individual’s medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional.
- (3) For purposes of this section, “health insurance information” means an individual’s health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual’s application and claims history, including any appeals records.
- (4) For purposes of this section, “encrypted” means rendered unusable, unreadable, or indecipherable to an unauthorized person through a security technology or methodology generally accepted in the field of information security.

(j) For purposes of this section, “notice” may be provided by one of the following methods:

- (1) Written notice.
- (2) Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in Section 7001 of Title 15 of the United States Code.
- (3) Substitute notice, if the person or business demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars (\$250,000), or that the affected class of subject persons to be notified exceeds 500,000, or the person or business does not have sufficient contact information. Substitute notice shall consist of all of the following:

- (A) Email notice when the person or business has an email address for the subject persons.
- (B) Conspicuous posting, for a minimum of 30 days, of the notice on the ~~Internet-Web-site~~internet website page of the person or business, if the person or business maintains one. For purposes of this subparagraph, conspicuous posting on the person's or business's ~~Internet-Web-site~~internet website means providing a link to the notice on the home page or first significant page after entering the ~~Internet-Web-site~~internet website that is in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks that call attention to the link.
- (C) Notification to major statewide media.
- (4) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (h) for an online account, and no other personal information defined in paragraph (1) of subdivision (h), the person or business may comply with this section by providing the security breach notification in electronic or other form that directs the person whose personal information has been breached promptly to change ~~his or her~~the person's password and security question or answer, as applicable, or to take other steps appropriate to protect the online account with the person or business and all other online accounts for which the person whose personal information has been breached uses the same ~~user-name~~username or email address and password or security question or answer.
- (5) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (h) for login credentials of an email account furnished by the person or business, the person or business shall not comply with this section by providing the security breach notification to that email address, but may, instead, comply with this section by providing notice by another method described in this subdivision or by clear and conspicuous notice delivered to the resident online when the resident is connected to the online account from an Internet Protocol address or online location from which the person or business knows the resident customarily accesses the account.
- (k) For purposes of this section, "encryption key" and "security credential" mean the confidential key or process designed to render data ~~useable~~usable, readable, and decipherable.
- (l) Notwithstanding subdivision (j), a person or business that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this part, shall be deemed to be in compliance with the notification requirements of this section if the person or business notifies subject persons in accordance with its policies in the event of a breach of security of the system.

History

Filed with Secretary of State October 11, 2019

Approved by the Governor October 11, 2019

Effective date: January 1, 2020

Sponsor

Levine

End of Document