

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                   STATE OF OKLAHOMA

3                   1st Session of the 60th Legislature (2025)

4                   ENGROSSED SENATE  
5                   BILL NO. 626

6                   By: Howard of the Senate

7                   and

8                   Pfeiffer of the House

9                   An Act relating to the Security Breach Notification  
10                  Act; amending 24 O.S. 2021, Sections 162, 163, 164,  
11                  165, and 166, which relate to definitions, duty to  
12                  disclose breach, notice, enforcement, and  
13                  application; modifying definitions; requiring notice  
14                  of security breach of certain information; requiring  
15                  notice to Attorney General under certain  
16                  circumstances; specifying contents of required  
17                  notice; providing exemptions from certain notice  
18                  requirements; requiring confidentiality of certain  
19                  information submitted to Attorney General;  
20                  authorizing Attorney General to promulgate rules;  
21                  clarifying compliance with certain notice  
22                  requirements; modifying authorized civil penalties  
23                  for certain violations; providing exemptions from  
24                  certain liability; limiting liability for violations  
                     under certain circumstances; modifying applicability  
                     of act; updating statutory language; updating  
                     statutory references; and providing an effective  
                     date.

21                  BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22                  SECTION 1.       AMENDATORY       24 O.S. 2021, Section 162, is  
23                  amended to read as follows:

24                  Section 162. As used in the Security Breach Notification Act:

1       1. "Breach of the security of a system" means the unauthorized  
2 access and acquisition of unencrypted and unredacted computerized  
3 data that compromises the security or confidentiality of personal  
4 information maintained by an individual or entity as part of a  
5 database of personal information regarding multiple individuals and  
6 that causes, or the individual or entity reasonably believes has  
7 caused or will cause, identity theft or other fraud to any resident  
8 of this state. Good faith acquisition of personal information by an  
9 employee or agent of an individual or entity for the purposes of the  
10 individual or the entity is not a breach of the security of the  
11 system, provided that the personal information is not used for a  
12 purpose other than a lawful purpose of the individual or entity or  
13 subject to ~~further~~ unauthorized disclosure;

14       2. "Entity" includes corporations, business trusts, estates,  
15 partnerships, limited partnerships, limited liability partnerships,  
16 limited liability companies, associations, organizations, joint  
17 ventures, governments, governmental subdivisions, agencies, or  
18 instrumentalities, or any other legal entity, whether for profit or  
19 not-for-profit;

20       3. "Encrypted" means transformation of data through the use of  
21 an algorithmic process into a form in which there is a low  
22 probability of assigning meaning without use of a confidential  
23 process or key, or securing the information by another method that  
24 renders the data elements unreadable or unusable;

1       4. "Financial institution" means any institution the business  
2 of which is engaging in financial activities as defined by 15  
3 U.S.C., Section 6809;

4       5. "Individual" means a natural person;

5       6. "Personal information" means ~~the~~ an individual's first name  
6 or first initial and last name in combination with ~~and linked to~~ any  
7 one or more of the following data elements that relate to ~~a resident~~  
8 ~~of this state, when~~ the individual if any of the data elements are  
9 ~~neither~~ not encrypted, ~~nor~~ redacted, or otherwise altered by any  
10 method or technology in such a manner that the name or data elements  
11 are unreadable or are encrypted, redacted, or otherwise altered by  
12 any method or technology but the keys to unencrypt, unredact, or  
13 otherwise read the data elements have been obtained through the  
14 breach of security:

15       a. social security number,

16       b. driver license number or ~~state~~ other unique

17              identification ~~card~~ number ~~issued in lieu of a driver~~  
18 ~~license, or created or collected by a government~~  
19 entity,

20       c. financial account number, or credit card or debit card  
21              number, in combination with any required expiration  
22 date, security code, access code, or password that  
23 would permit access to ~~the~~ an individual's financial  
24 ~~accounts of a resident account,~~

- 1           d. unique electronic identifier or routing code in  
2           combination with any required security code, access  
3           code, or password that would permit access to an  
4           individual's financial account, or  
5           e. unique biometric data such as a fingerprint, retina or  
6           iris image, or other unique physical or digital  
7           representation of biometric data to authenticate a  
8           specific individual.

9       The term does not include information that is lawfully obtained from  
10      publicly available ~~information sources~~, or from federal, state or  
11      local government records lawfully made available to the general  
12      public;

13       7. "Notice" means:

- 14       a. written notice to the postal address in the records  
15           of the individual or entity,  
16       b. telephone notice,  
17       c. electronic notice, or  
18       d. substitute notice, if the individual or the entity  
19           required to provide notice demonstrates that the cost  
20           of providing notice will exceed Fifty Thousand Dollars  
21           (\$50,000.00), or that the affected class of residents  
22           to be notified exceeds one hundred thousand (100,000)  
23           persons, or that the individual or the entity does not  
24           have sufficient contact information or consent to

1 provide notice as described in subparagraph a, b, or c  
2 of this paragraph. Substitute notice consists of any  
3 two of the following:

- 4 (1) ~~e-mail~~ email notice if the individual or the  
5 entity has ~~e-mail~~ email addresses for the members  
6 of the affected class of residents,  
7 (2) conspicuous posting of the notice on the Internet  
8 ~~web-site~~ website of the individual or the entity  
9 if the individual or the entity maintains a  
10 public Internet ~~web-site~~ website, or  
11 (3) notice to major statewide media; and

12 8. "Reasonable safeguards" means policies and practices that

13 ensure personal information is secure, taking into consideration an  
14 entity's size and the type and amount of personal information. The  
15 term includes, but is not limited to, conducting risk assessments,  
16 implementing technical and physical layered defenses, employee  
17 training on handling personal information, and establishing an  
18 incident response plan; and

19 9. "Redact" means alteration or truncation of data such that no  
20 more than the following are accessible as part of the personal  
21 information:

- 22 a. five digits of a social security number, or

1                   b. the last four digits of a driver license number, ~~state~~  
2                   unique identification card number created or collected  
3                   by a government entity, or account number.

4                   SECTION 2.       AMENDATORY       24 O.S. 2021, Section 163, is

5                   amended to read as follows:

6                   Section 163. A. An individual or entity that owns or licenses  
7                   computerized data that includes personal information shall ~~disclose~~  
8                   provide notice of any breach of the security of the system following  
9                   ~~discovery determination~~ or notification of the breach of the  
10                  security of the system to any resident of this state whose  
11                  unencrypted and unredacted personal information was or is reasonably  
12                  believed to have been accessed and acquired by an unauthorized  
13                  person and that causes, or the individual or entity reasonably  
14                  believes has caused or will cause, identity theft or other fraud to  
15                  any resident of this state. Except as provided in subsection D of  
16                  this section or in order to take any measures necessary to determine  
17                  the scope of the breach and to restore the reasonable integrity of  
18                  the system, the disclosure shall be made without unreasonable delay.

19                  B. An individual or entity ~~must disclose~~ shall provide notice  
20                  of the breach of the security of the system if encrypted or redacted  
21                  information is accessed and acquired in an unencrypted or unredacted  
22                  form or if the security breach involves a person with access to the  
23                  encryption key and the individual or entity reasonably believes that

1 such breach has caused or will cause identity theft or other fraud  
2 to any resident of this state.

3 C. An individual or entity that maintains computerized data  
4 that includes personal information that the individual or entity  
5 does not own or license shall ~~notify~~ provide notice to the owner or  
6 licensee of the information of any breach of the security of the  
7 system as soon as practicable following ~~discovery~~ determination, if  
8 the personal information was or if the entity reasonably believes it  
9 was accessed and acquired by an unauthorized person.

10 D. Notice required by this section may be delayed if a law  
11 enforcement agency determines and advises the individual or entity  
12 that the notice will impede a criminal or civil investigation or  
13 homeland or national security. Notice required by this section must  
14 be made without unreasonable delay after the law enforcement agency  
15 determines that notification will no longer impede the investigation  
16 or jeopardize national or homeland security.

17 E. 1. An individual or entity required to provide notice in  
18 accordance with subsection A, B, or C of this section shall also  
19 provide notice to the Attorney General of such breach without  
20 unreasonable delay but in no event more than sixty (60) days after  
21 providing notice to impacted residents of this state as required by  
22 this section. The notice shall include the date of the breach, the  
23 date of its determination, the nature of the breach, the type of  
24 personal information exposed, the number of residents of this state

1   affected, the estimated monetary impact of the breach to the extent  
2   such impact can be determined, and any reasonable safeguards the  
3   entity employs.

4   2. A breach of a security system where fewer than five hundred  
5   (500) residents of this state are affected within a single breach  
6   shall be exempt from the notice requirements of paragraph 1 of this  
7   subsection.

8   3. A breach of a security system maintained by a credit bureau  
9   where fewer than one thousand (1,000) residents of this state are  
10   affected within a single breach shall be exempt from the notice  
11   requirements of paragraph 1 of this subsection.

12   F. Any personal information submitted to the Attorney General  
13   shall be kept confidential pursuant to Section 24A.12 of Title 51 of  
14   the Oklahoma Statutes.

15   G. The Attorney General may promulgate rules as necessary to  
16   effectuate the provisions of this section.

17       SECTION 3.           AMENDATORY           24 O.S. 2021, Section 164, is  
18   amended to read as follows:

19       Section 164. A. An individual or entity that maintains its own  
20   notification procedures as part of an information privacy or  
21   security policy for the treatment of personal information and that  
22   are consistent with the timing requirements of ~~this act~~ the Security  
23   Breach Notification Act shall be deemed to be in compliance with the  
24   notification requirements of ~~this act~~ subsection A, B, or C of

1   Section 163 of this title if it the individual or entity notifies  
2   residents of this state in accordance with its procedures in the  
3   event of a breach of security of the system.

4   B. The following entities shall be deemed to be in compliance  
5   with the notification requirements of subsection A, B, or C of  
6   Section 163 of this title if such entities provide notice to the  
7   Attorney General as required by subsection E of Section 163 of this  
8   title:

9       1. A financial institution that complies with the notification  
10      requirements prescribed by the ~~Federal~~ Gramm-Leach-Bliley Act and  
11      the federal Interagency Guidance on Response Programs for  
12      Unauthorized Access to Customer Information and Customer Notice ~~is~~  
13      ~~deemed to be in compliance with the provisions of this act.~~;

14       2. An entity that complies with the notification requirements  
15      prescribed by the Oklahoma Hospital Cybersecurity Protection Act of  
16      2023 or the Health Insurance Portability and Accountability Act of  
17      1996 (HIPAA); and

18       3. An entity that complies with the notification requirements  
19      or procedures pursuant to the rules, ~~regulation~~ regulations,  
20      procedures, or guidelines established by the primary or functional  
21      federal regulator of the entity ~~shall be deemed to be in compliance~~  
22      ~~with the provisions of this act.~~.

23           SECTION 4.           AMENDATORY           24 O.S. 2021, Section 165, is  
24      amended to read as follows:

1       Section 165. A. A violation of ~~this act~~ the Security Breach  
2       Notification Act that results in injury or loss to residents of this  
3       state may be enforced by the Attorney General or a district attorney  
4       in the same manner as an unlawful practice under the Oklahoma  
5       Consumer Protection Act.

6       B. Except as provided in subsection ~~E~~ D of this section, the  
7       Attorney General or a district attorney shall have exclusive  
8       authority to bring an action and may obtain ~~either~~ actual damages  
9       for a violation of ~~this act or~~ the Security Breach Notification Act  
10      and a civil penalty not to exceed One Hundred Fifty Thousand Dollars  
11      (\$150,000.00) per breach of the security of the system or series of  
12      breaches of a similar nature that are ~~discovered~~ determined in a  
13      single investigation. Civil penalties shall be based upon the  
14      magnitude of the breach, the extent to which the behavior of the  
15      individual or entity contributed to the breach, and any failure to  
16      provide the notice required by Section 163 of this title.

17      C. 1. An individual or entity that uses reasonable safeguards  
18      and provides notice as required by Section 163 or 164 of this title  
19      shall not be subject to civil penalties and may use such compliance  
20      as an affirmative defense in a civil action filed under the Security  
21      Breach Notification Act.

22      2. An individual or entity that fails to use reasonable  
23      safeguards but provides notice as required by Section 163 or 164 of  
24      this title shall not be subject to the civil penalty set forth in

1 subsection B of this section but shall be subject to actual damages  
2 and a civil penalty of Seventy-five Thousand Dollars (\$75,000.00).

3 ~~C. D.~~ A violation of ~~this act~~ The Security Breach Notification  
4 Act by a state-chartered or state-licensed financial institution  
5 shall be enforceable exclusively by the primary state regulator of  
6 the financial institution.

7 SECTION 5. AMENDATORY 24 O.S. 2021, Section 166, is  
8 amended to read as follows:

9 Section 166. ~~This act~~ The Security Breach Notification Act  
10 shall apply to the ~~discovery~~ determination or notification of a  
11 breach of the security of the system that occurs on or after  
12 ~~November 1, 2008~~ January 1, 2026.

13 SECTION 6. This act shall become effective January 1, 2026.

14  
15 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
04/17/2025 - DO PASS.  
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