

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1631 - SB 2005

February 21, 2016

SUMMARY OF ORIGINAL BILL: Establishes that any business in this state or any agency of the state of Tennessee or any of its political subdivisions that owns or licenses computerized data which includes personal information must disclose any breach of security to the individual whose personal information was acquired by an authorized person within 14 days of such breach. Law enforcement is authorized to extend such disclosure period if disclosure of such information may impede a criminal investigation. Establishes that law enforcement must provide disclosure to the person whose information was breached within 14 days of determining that such disclosure will not compromise an investigation.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012397): Changes from 14 to 45 days the time period that disclosures and notifications to owners of personal information should be submitted by holders of personal information as specified in the legislation following any breach of information security; and adds new language establishing that consumer protection laws contained in the Tennessee Identity Theft Deterrence Act of 1999 do not apply to a person or entity that is subject to the federal Health Insurance and Portability Act of 1996 (HIPPA), as expanded by the federal Health Information for Clinical and Economic Health Act.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Currently, any breach of security of personal information must be disclosed to the appropriate individual in the most expedient time possible and without unreasonable delay.

HB 1631 - SB 2005

- Law enforcement is currently able to delay disclosure of a breach of security if the law enforcement agency determines that such disclosure will impede an investigation. Currently, law enforcement is required to provide such disclosure after the law enforcement agency determines that such notification will not impede the investigation.
- The Division of Consumer Complaints can handle any additional consumer complaints that may be experienced as a result of this legislation.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

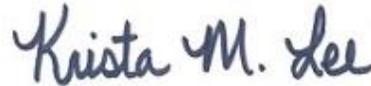
Unchanged from the original fiscal note.

Assumption for the bill as amended:

- Businesses in Tennessee will experience no significant fiscal impact as a result of this legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb