

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6837

BILL NUMBER: SB 413

NOTE PREPARED: Feb 12, 2015

BILL AMENDED: Feb 10, 2012

SUBJECT: Disclosures of Security Breaches.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill makes the following changes to the statute concerning the breach of the security of data that includes the personal information of Indiana residents and that is collected and maintained by a person other than a state agency or the judicial or legislative department of state government:

- (1) It specifies that the statute is not limited to breaches of computerized data.
- (2) It repeals the definition of a term ("doing business in Indiana") that is not used in the statute.
- (3) It replaces the term "data base owner" with "data owner".
- (4) It defines the term "data collector" as a person that: (A) is not a data owner; and (B) collects, maintains, disseminates, or handles data that includes personal information.
- (5) It defines the term "data user" as a data owner or a data collector.
- (6) It requires a data user to post certain information concerning the data user's privacy practices on the data user's Internet web site
- (7) It increases the amount of the civil penalty that a court may impose in an action by the Attorney General to enforce the provisions concerning the safeguarding of data if the court finds that a violation: (A) was done knowingly; or (B) contributed to a breach of the security of data that includes the personal information of Indiana residents.
- (8) It sets forth certain information that a data owner must include in a disclosure of a security breach.
- (9) It specifies the applicability of different enforcement procedures available to the Attorney General under the statute.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Office of Attorney General (AG):* This bill may result in additional actions brought by the AG. The bill's requirements should be able to be implemented by the AG with no additional appropriations.

Explanation of State Revenues: *Deceptive Act:* A person who unknowingly fails to comply with the provisions of the bill commits a deceptive act, which is punishable by a civil penalty of \$1,000 per violation. If a person knowingly fails to comply, the court may impose a civil penalty of the greater of \$5,000 or \$50 per affected Indiana resident. Total civil penalties in connection with a deceptive act may not exceed \$150,000. The actual number of civil actions that may result due to the bill is indeterminable. The bill establishes that the consumer protection division of the AG must use any civil penalty collections to enforce the provision.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Attorney General.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

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