



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 696

PRINTERS NO. 2007

PRIME SPONSOR: Laughlin

### COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	See fiscal impact	See fiscal impact

**SUMMARY:** Senate Bill 696, printer's number 2007, amends the Breach of Personal Information Notification Act for definitions and for notification of breach.

**ANALYSIS:** This legislation amends the Breach of Personal Information Act by expanding the definitions for "personal information" to include medical and health insurance information. The definition of "state agency contractor" is also expanded. The bill also adds new definitions for "determination" and "discovery".

Senate Bill 696 clarifies notification requirements for state agency contractors and adds language regarding electronic notice. Electronic notice may be provided if the notice directs the person whose personal information has been materially compromised by a breach of the security of the system to promptly change the person's password and security question or answer, as applicable or to take other steps appropriate to protect the person's online account to the extent the entity has sufficient contact information for the person.

If a state agency determines that it is the subject of a breach affecting personal information maintained by the agency or agency contractor, the state agency shall provide notice of the breach of the security of the system within seven business days following the determination of the breach. Notification shall be provided concurrently to the Office of Attorney General. In addition, the chief information officer of an agency shall be notified of a breach as soon as reasonably practical, but not later than any time periods specified by contract. Notification must also be provided to the Governor's Office of Administration within three business days.

The legislation requires an entity that maintains, stores, or manages computerized data on behalf of the Commonwealth that constitutes personal information to utilize encryption, or other appropriate security measures, to reasonably protect the transmission of personal information over the internet from being viewed or modified by an unauthorized third party. An aforementioned entity also shall develop and maintain a policy to govern the proper encryption or other appropriate security measures and transmission of data by state agencies. In developing the policy, an entity shall consider similar existing policies, other identified best practices, and

other sources as appropriate in accordance with best practices as established by the Federal Government and the Commonwealth.

This act shall take effect in 180 days.

**FISCAL IMPACT:** The Office of Administration has indicated that enactment of this legislation may result in some implementation costs. It is expected that any such costs can be accommodated within its existing budget and resources.

To the extent that the language in this bill reduces instances of fraud or abuse, an indeterminable amount of savings may be realized.

**PREPARED BY:** Casey Martin  
House Appropriations Committee (R)

**DATE:** October 26, 2022

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*