1	A bill to be entitled
2	An act relating to consumer protection;
3	creating s. 817.5681, F.S.; requiring business
4	persons maintaining computerized data that
5	includes personal information to provide notice
6	of breaches of system security under certain
7	circumstances; providing requirements;
8	providing for administrative fines; providing
9	exceptions and limitations; authorizing delays
10	of such disclosures under certain
11	circumstances; providing definitions; providing
12	for alternative notice methods; specifying
13	conditions of compliance for persons
14	maintaining certain alternative notification
15	procedures; specifying conditions under which
16	notification is not required; providing
17	requirements for documentation and maintenance
18	of documentation; providing an administrative
19	fine for failing to document certain failures
20	to comply; providing for application of
21	administrative sanctions to certain persons
22	under certain circumstances; authorizing the
23	Department of Legal Affairs to institute
24	proceedings to assess and collect fines;
25	requiring notification of consumer reporting
26	agencies of breaches of system security under
27	certain circumstances; amending s. 817.568,
28	F.S.; redefining the term "personal
29	identification information" and defining the
30	term "counterfeit or fictitious personal
31	identification information"; revising criminal

1	penalties relating to the offense of
2	fraudulently using, or possessing with intent
3	to fraudulently use, personal identification
4	information; providing minimum mandatory terms
5	of imprisonment; creating the offenses of
6	willfully and fraudulently using, or possessing
7	with intent to fraudulently use, personal
8	identification information concerning a
9	deceased individual; providing criminal
10	penalties; providing for minimum mandatory
11	terms of imprisonment; creating the offense of
12	willfully and fraudulently creating or using,
13	or possessing with intent to fraudulently use,
14	counterfeit or fictitious personal
15	identification information; providing criminal
16	penalties; providing for reclassification of
17	offenses under certain circumstances; providing
18	for reduction or suspension of sentences under
19	certain circumstances; providing for
20	severability; providing an effective date.
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22	Be It Enacted by the Legislature of the State of Florida:
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24	Section 1. Section 817.5681, Florida Statutes, is
25	created to read:
26	817.5681 Breach of security concerning confidential
27	personal information in third-party possession; administrative
28	penalties
29	(1)(a) Any person who conducts business in this state
30	and maintains computerized data in a system that includes

31 personal information shall provide notice of any breach of the

1	security of the system, following a determination of the
2	breach, to any resident of this state whose unencrypted
3	personal information was, or is reasonably believed to have
4	been, acquired by an unauthorized person. The notification
5	shall be made without unreasonable delay, consistent with the
6	legitimate needs of law enforcement, as provided in subsection
7	(3) and paragraph (10)(a), or subject to any measures
8	necessary to determine the presence, nature, and scope of the
9	breach and restore the reasonable integrity of the system.
10	Notification must be made no later than 45 days following the
11	determination of the breach unless otherwise provided in this
12	section.
13	(b) Any person required to make notification under
14	paragraph (a) who fails to do so within 45 days following the
15	determination of a breach or receipt of notice from law
16	enforcement as provided in subsection (3) is liable for an
17	administrative fine not to exceed \$500,000, as follows:
18	1. In the amount of \$1,000 for each day the breach
19	goes undisclosed for up to 30 days and, thereafter, \$50,000
20	for each 30-day period or portion thereof for up to 180 days.
21	2. If notification is not made within 180 days, any
22	person required to make notification under paragraph (a) who
23	fails to do so is subject to an administrative fine of up to
24	<u>\$500,000.</u>
25	(c) The administrative sanctions for failure to notify
26	in paragraph (b) apply per breach, and not per individual
27	affected by the breach. Such sanctions do not apply in the
28	case of personal information in the custody of any
29	governmental agency or subdivision, unless that governmental
30	agency or subdivision has entered into a contract with a
31	contractor or third-party administrator to provide

governmental services. In such case, the contractor or third-party administrator is the person to whom such sanctions apply and such contractor or third-party administrator found 3 in violation of such notification requirements has no right to 4 any contribution or set-off that may otherwise be available 5 against the employing agency or subdivision. 6 7 (2)(a) Any person who maintains computerized data that 8 includes personal information on behalf of another business 9 entity shall disclose to the business entity for which the information is maintained any breach of the security of the 10 system as soon as practicable, but no later than 10 days 11 following the determination, if the personal information was, 12 13 or is reasonably believed to have been, acquired by an 14 unauthorized person. The person who maintains the data on behalf of another business entity and the business entity on 15 whose behalf the data is maintained may agree who will provide 16 the notice, if any is required, as provided in paragraph 17 (1)(a); however, only a single notice for each breach of the 19 security of the system is required. If agreement regarding notification cannot be reached, the person who has the direct 20 business relationship with the resident of this state must 2.1 22 provide the notice required under paragraph (1)(a). 23 (b) Any person required to disclose to a business 24 entity under paragraph (a) who fails to do so within 10 days after the determination of a breach or receipt of notification 2.5 from law enforcement as provided in subsection (3) is liable 2.6 for an administrative fine not to exceed \$500,000, as follows: 2.7 28 1. In the amount of \$1,000 for each day the breach 29 goes undisclosed for up to 30 days and, thereafter, \$50,000 30 for each 30-day period or portion thereof for up to 180 days. 31

2. If disclosure is not made within 180 days, such 2 person is subject to an administrative fine of up to \$500,000. (c) The administrative sanctions for nondisclosure 3 4 provided in paragraph (b) apply per breach, and not per 5 individual affected by the breach. Such sanctions do not apply in the case of personal information in the custody of 6 7 any governmental agency or subdivision unless that 8 governmental agency or subdivision has entered into a contract 9 with a contractor or third-party administrator to provide governmental services. In such case, the contractor or 10 third-party administrator is the person to whom such sanctions 11 apply and such contractor or third-party administrator found 12 13 in violation of such nondisclosure restrictions has no right 14 to any contribution or set-off that may otherwise be available against the employing agency or subdivision. 15 (3) The notification required by this section may be 16 delayed upon a request by law enforcement if a law enforcement 17 18 agency determines that the notification will impede a criminal 19 investigation. The notification time period required by this section shall commence after the person receives notice from 20 the law enforcement agency that the notification will not 2.1 22 compromise the investigation. 23 (4) For purposes of this section, the terms "breach" 24 and "breach of the security of the system" mean unlawful and unauthorized acquisition of computerized data that materially 2.5 compromises the security, confidentiality, or integrity of 26 personal information maintained by the person. Good faith 2.7 28 acquisition of personal information by an employee or agent of 29 the person is not a breach or breach of the security of the

system, provided the information is not used for a purpose

1	unrelated to the business or subject to further unauthorized
2	use.
3	(5) For purposes of this section, the term "personal
4	information" means an individual's first name, first initial
5	and last name, or any middle name and last name, in
6	combination with any one or more of the following data
7	elements when the data elements are not encrypted:
8	(a) Social security number.
9	(b) Driver's license number or Florida Identification
10	Card number.
11	(c) Account number, credit card number, or debit card
12	number, in combination with any required security code, access
13	code, or password that would permit access to an individual's
14	financial account.
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16	The term does not include publicly available information that
17	is lawfully made available to the general public from federal,
18	state, or local government records or widely distributed
19	media.
20	(6) For purposes of this section, notice may be
21	provided by one of the following methods:
22	(a) Written notice;
23	(b) Electronic notice, if the notice provided is
24	consistent with the provisions regarding electronic records
25	and signatures in 15 U.S.C. s. 7001 or if the person or
26	business providing the notice has a valid e-mail address for
27	the subject person and the subject person has agreed to accept
28	communications electronically; or
29	(c) Substitute notice, if the person demonstrates that
30	the cost of providing notice would exceed \$250,000, the
31	affected class of subject persons to be notified exceeds

1	500,000, or the person does not have sufficient contact
2	information. Substitute notice shall consist of all of the
3	following:
4	1. Electronic mail or e-mail notice when the person
5	has an electronic mail or e-mail address for the subject
6	persons.
7	2. Conspicuous posting of the notice on the web page
8	of the person, if the person maintains a web page.
9	3. Notification to major statewide media.
10	(7) For purposes of this section, the term
11	"unauthorized person" means any person who does not have
12	permission from, or a password issued by, the person who
13	stores the computerized data to acquire such data, but does
14	not include any individual to whom the personal information
15	pertains.
16	(8) For purposes of this section, the term "person"
17	means a person as defined in s. 1.01. For purposes of this
18	section, the State of Florida, as well as any of its agencies
19	or political subdivisions, and any of the agencies of its
20	political subdivisions, is a person.
21	(9) Notwithstanding subsection (6), a person who
22	maintains:
23	(a) The person's own notification procedures as part
24	of an information security or privacy policy for the treatment
25	of personal information, which procedures are otherwise
26	consistent with the timing requirements of this part; or
27	(b) A notification procedure pursuant to the rules,
28	regulations, procedures, or guidelines established by the
29	person's primary or functional federal regulator,
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shall be deemed to be in compliance with the notification requirements of this section if the person notifies subject persons in accordance with the person's policies or the rules, 3 regulations, procedures, or guidelines established by the 4 primary or functional federal regulator in the event of a 5 breach of security of the system. 6 7 (10)(a) Notwithstanding subsection (2), disclosure is 8 not required if, after an appropriate investigation or after 9 consultation with relevant federal, state, and local agencies responsible for law enforcement, the person reasonably 10 determines that the breach has not and will not likely result 11 in harm to the individuals whose personal information has been 12 13 acquired and accessed. Such a determination must be documented in writing and the documentation must be maintained for 5 14 15 years. (b) Any person required to document a failure to 16 notify affected persons who fails to document the failure as 17 18 required in paragraph (a) or who, if documentation was 19 created, fails to maintain the documentation as required in paragraph (a) is liable for an administrative fine of up to 20 \$50,000 for such failure. 21 (c) The administrative sanctions in paragraph (b) do 2.2 23 not apply in the case of personal information in the custody 24 of any governmental agency or subdivision, unless that governmental agency or subdivision has entered into a contract 2.5 with a contractor or third-party administrator to provide 26 governmental services. In such case the contractor or 2.7 28 third-party administrator is the person to whom such sanctions 29 apply and such contractor or third-party administrator found in violation of the documentation and maintenance of 30

documentation requirements has no right to any contribution or

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set-off that may otherwise be available against the employing agency or subdivision.

- (11) The Department of Legal Affairs may institute proceedings to assess and collect the fines authorized in this section.
- (12) If a person discovers circumstances requiring notification pursuant to this section of more than 1,000 persons at a single time, the person shall also notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined in 15 U.S.C. s. 1681a(p), of the timing, distribution, and content of the notices.
- Section 2. Section 817.568, Florida Statutes, is amended to read:
- 817.568 Criminal use of personal identification information.--
 - (1) As used in this section, the term:
- (a) "Access device" means any card, plate, code, account number, electronic serial number, mobile identification number, personal identification number, or other telecommunications service, equipment, or instrument identifier, or other means of account access that can be used, alone or in conjunction with another access device, to obtain money, goods, services, or any other thing of value, or that can be used to initiate a transfer of funds, other than a transfer originated solely by paper instrument.
- (b) "Authorization" means empowerment, permission, or competence to act.
- 29 (c) "Harass" means to engage in conduct directed at a
 30 specific person that is intended to cause substantial
 31 emotional distress to such person and serves no legitimate

purpose. "Harass" does not mean to use personal identification information for accepted commercial purposes. The term does not include constitutionally protected conduct such as organized protests or the use of personal identification information for accepted commercial purposes.

- (d) "Individual" means a single human being and does not mean a firm, association of individuals, corporation, partnership, joint venture, sole proprietorship, or any other entity.
- 10 (e) "Person" means a "person" as defined in s.
 11 1.01(3).
 - (f) "Personal identification information" means any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual, including any:
- 1. Name, postal or electronic mail address, telephone 16 number, social security number, date of birth, mother's maiden 17 18 name, official state-issued or United States-issued driver's 19 license or identification number, alien registration number, government passport number, employer or taxpayer 20 identification number, Medicaid or food stamp account number, 21 22 or bank account number, or credit or debit card number, or 23 personal identification number or code assigned to the holder 24 of a debit card by the issuer to permit authorized electronic 2.5 use of such card;
- 2. Unique biometric data, such as fingerprint, voice print, retina or iris image, or other unique physical representation;
- 3. Unique electronic identification number, address,
 or routing code; or
- 31 <u>4. Medical records;</u>

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5.4. Telecommunication identifying information or access device; or-6. Other number or information that can be used to

access a person's financial resources.

- 5 (q) "Counterfeit or fictitious personal identification information" means any counterfeit, fictitious, or fabricated 6 information in the similitude of the data outlined in paragraph (f) that, although not truthful or accurate, would in context lead a reasonably prudent person to credit its truthfulness and accuracy.
 - (2)(a) Any person who willfully and without authorization fraudulently uses, or possesses with intent to fraudulently use, personal identification information concerning an individual without first obtaining that individual's consent, commits the offense of fraudulent use of personal identification information, which is a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
 - (b) Any person who willfully and without authorization fraudulently uses personal identification information concerning an individual without first obtaining that individual's consent commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if the pecuniary benefit, the value of the services received, the payment sought to be avoided, or the amount of the injury or fraud perpetrated is \$5,000 or more or if the person fraudulently uses the personal identification information of 10 or more individuals, but fewer than 20 individuals, without their consent. Notwithstanding any other provision of law, the court shall sentence any person

31 convicted of committing the offense described in this

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paragraph to a mandatory minimum sentence of 3 years' imprisonment.

(c) Any person who willfully and without authorization fraudulently uses personal identification information concerning an individual without first obtaining that individual's consent commits a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if the pecuniary benefit, the value of the services received, the payment sought to be avoided, or the amount of the injury or fraud perpetrated is \$50,000 or more or if the person fraudulently uses the personal identification information of 20 or more individuals, but fewer than 30 individuals, without their consent. Notwithstanding any other provision of law, the court shall sentence any person convicted of committing the offense described in this paragraph÷

1. to a mandatory minimum sentence of 5 years' imprisonment. If the pecuniary benefit, the value of the services received, the payment sought to be avoided, or the amount of the injury or fraud perpetrated is \$100,000 or more, or if the person fraudulently uses the personal identification information of 30 or more individuals without their consent, notwithstanding any other law, the court shall sentence any person convicted of committing the offense described in this paragraph

2. to a mandatory minimum sentence of 10 years' imprisonment, if the pecuniary benefit, the value of the services received, the payment sought to be avoided, or the amount of the injury or fraud perpetrated is \$100,000 or more or if the person fraudulently uses the personal identification information of 30 or more individuals without their consent.

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(3) Neither paragraph (2)(b) nor paragraph (2)(c) prevents a court from imposing a greater sentence of incarceration as authorized by law. If the minimum mandatory terms of imprisonment imposed under paragraph (2)(b) or paragraph (2)(c) exceed the maximum sentences authorized under s. 775.082, s. 775.084, or the Criminal Punishment Code under chapter 921, the mandatory minimum sentence must be imposed. If the mandatory minimum terms of imprisonment under paragraph (2)(b) or paragraph (2)(c) are less than the sentence that could be imposed under s. 775.082, s. 775.084, or the Criminal Punishment Code under chapter 921, the sentence imposed by the court must include the mandatory minimum term of imprisonment as required by paragraph (2)(b) or paragraph (2)(c).

- (4) \underline{A} Any person who willfully and without authorization possesses, uses, or attempts to use personal identification information concerning an individual without first obtaining that individual's consent, and who does so for the purpose of harassing that individual, commits the offense of harassment by use of personal identification information, which is a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.
- (5) If an offense prohibited under this section was facilitated or furthered by the use of a public record, as defined in s. 119.011, the offense is reclassified to the next higher degree as follows:
- (a) A misdemeanor of the first degree is reclassified as a felony of the third degree.
- (b) A felony of the third degree is reclassified as a felony of the second degree.
- (c) A felony of the second degree is reclassified as a 31 felony of the first degree.

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For purposes of sentencing under chapter 921 and incentive gain-time eligibility under chapter 944, a felony offense that is reclassified under this subsection is ranked one level above the ranking under s. 921.0022 of the felony offense committed, and a misdemeanor offense that is reclassified under this subsection is ranked in level 2 of the offense severity ranking chart in s. 921.0022.

- (6) \underline{A} Any person who willfully and without authorization fraudulently uses personal identification information concerning an individual who is less than 18 years of age without first obtaining the consent of that individual or of his or her legal quardian commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- (7) \underline{A} Any person who is in the relationship of parent or legal guardian, or who otherwise exercises custodial authority over an individual who is less than 18 years of age, who willfully and fraudulently uses personal identification information of that individual commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- (8)(a) A person who willfully and fraudulently uses, or possesses with intent to fraudulently use, personal identification information concerning a deceased individual commits the offense of fraudulent use or possession with intent to use personal identification information of a deceased individual, a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- (b) A person who willfully and fraudulently uses 31 personal identification information concerning a deceased

individual commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if the pecuniary benefit, the value of the services received, the 3 payment sought to be avoided, or the amount of injury or fraud 4 perpetrated is \$5,000 or more, or if the person fraudulently 5 uses the personal identification information of 10 or more but 6 7 fewer than 20 deceased individuals. Notwithstanding any other 8 law, the court shall sentence any person convicted of 9 committing the offense described in this paragraph to a mandatory minimum sentence of 3 years' imprisonment. 10 (c) A person who willfully and fraudulently uses 11 personal identification information concerning a deceased 12 13 individual commits the offense of aggravated fraudulent use of 14 the personal identification information of multiple deceased individuals, a felony of the first degree, punishable as 15 provided in s. 775.082, s. 775.083, or s. 775.084, if the 16 pecuniary benefit, the value of the services received, the 17 18 payment sought to be avoided, or the amount of injury or fraud 19 perpetrated is \$50,000 or more, or if the person fraudulently uses the personal identification information of 20 or more but 20 fewer than 30 deceased individuals. Notwithstanding any other 2.1 22 law, the court shall sentence a person convicted of the 23 offense described in this paragraph to a minimum mandatory 24 sentence of 5 years' imprisonment. If the pecuniary benefit, the value of the services received, the payment sought to be 2.5 avoided, or the amount of the injury or fraud perpetrated is 26 \$100,000 or more, or if the person fraudulently uses the 2.7 28 personal identification information of 30 or more deceased 29 individuals, notwithstanding any other provision of law, the 30 court shall sentence a person convicted of an offense 31

described in this paragraph to a mandatory minimum sentence of 10 years' imprisonment. 3 (9) A person who willfully and fraudulently creates or uses, or possesses with intent to fraudulently use, 4 5 counterfeit or fictitious personal identification information concerning a fictitious individual, or concerning a real 6 7 individual without first obtaining that real individual's 8 consent, with intent to use the counterfeit or fictitious personal identification information for the purpose of 9 committing or facilitating the commission of a fraud on 10 another person, commits the offense of fraudulent creation or 11 use, or possession with intent to fraudulently use, 12 13 counterfeit or fictitious personal identification information, a felony of the third degree, punishable as provided in s. 14 775.082, s. 775.083, or s. 775.084. 15 (10) A person who commits an offense described in this 16 section and for the purpose of obtaining or using personal 17 18 identification information misrepresents himself or herself to 19 be a law enforcement officer; an employee or representative of a bank, credit card company, credit counseling company, or 20 credit reporting agency; or a person who wrongfully represents 2.1 22 that he or she is seeking to assist the victim with a problem 2.3 concerning the victim's credit history shall have the offense 24 reclassified as follows: (a) In the case of a misdemeanor, the offense is 2.5 reclassified as a felony of the third degree. 26 27 (b) In the case of a felony of the third degree, the 28 offense is reclassified as a felony of the second degree. 29 (c) In the case of a felony of the second degree, the 30 offense is reclassified as a felony of the first degree. 31

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subdivisions.

(d) In the case of a felony of the first degree or a felony of the first degree punishable by a term of imprisonment not exceeding life, the offense is reclassified 3 as a life felony. 4 5 For purposes of sentencing under chapter 921, a felony offense 6 7 that is reclassified under this subsection is ranked one level 8 above the ranking under s. 921.0022 or s. 921.0023 of the 9 felony offense committed, and a misdemeanor offense that is reclassified under this subsection is ranked in level 2 of the 10 offense severity ranking chart. 11 (11) The prosecutor may move the sentencing court to 12 13 reduce or suspend the sentence of a person who is convicted of 14 a violation of this section and who provides substantial assistance in the identification, arrest, or conviction of any 15 of that person's accomplices, accessories, coconspirators, or 16 principals or of any other person engaged in fraudulent 17 18 possession or use of personal identification information. The 19 arresting agency shall be given an opportunity to be heard in aggravation or mitigation in reference to any such motion. 20 Upon good cause shown, the motion may be filed and heard in 2.1 22 camera. The judge hearing the motion may reduce or suspend the sentence if the judge finds that the defendant rendered such 23 24 substantial assistance. (12)(8) This section does not prohibit any lawfully 2.5 26 authorized investigative, protective, or intelligence activity of a law enforcement agency of this state or any of its 2.7 28 political subdivisions, of any other state or its political 29 subdivisions, or of the Federal Government or its political

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(13)(9)(a) In sentencing a defendant convicted of an offense under this section, the court may order that the defendant make restitution under pursuant to s. 775.089 to any victim of the offense. In addition to the victim's out-of-pocket costs, such restitution may include payment of any other costs, including attorney's fees incurred by the victim in clearing the victim's credit history or credit rating, or any costs incurred in connection with any civil or administrative proceeding to satisfy any debt, lien, or other obligation of the victim arising as the result of the actions of the defendant.

(b) The sentencing court may issue such orders as are necessary to correct any public record that contains false information given in violation of this section.

(14)(10) Prosecutions for violations of this section may be brought on behalf of the state by any state attorney or by the statewide prosecutor.

(15)(11) The Legislature finds that, in the absence of evidence to the contrary, the location where a victim gives or fails to give consent to the use of personal identification information is the county where the victim generally resides.

(16)(12) Notwithstanding any other provision of law, venue for the prosecution and trial of violations of this section may be commenced and maintained in any county in which an element of the offense occurred, including the county where the victim generally resides.

(17)(13) A prosecution of an offense prohibited under subsection (2), subsection (6), or subsection (7) must be commenced within 3 years after the offense occurred. However, a prosecution may be commenced within 1 year after discovery 31 of the offense by an aggrieved party, or by a person who has a

legal duty to represent the aggrieved party and who is not a party to the offense, if such prosecution is commenced within 5 years after the violation occurred. Section 3. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable. Section 4. This act shall take effect July 1, 2005.