Amendment No. (for drafter's use only)

<p style="text-align:center">CHAMBER ACTION</p>

Senate	House
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1 Representative Waters offered the following:

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3 **Amendment**

4 Remove lines 368-408 and insert:

5 (c) The administrative sanctions for failure to notify

6 provided in this subsection shall apply per breach and not per

7 individual affected by the breach.

8 (d) The administrative sanctions for failure to notify

9 provided in this subsection shall not apply in the case of

10 personal information in the custody of any governmental agency

11 or subdivision, unless that governmental agency or subdivision

12 has entered into a contract with a contractor or third-party

13 administrator to provide governmental services. In such case,

14 the contractor or third-party administrator shall be a person to

15 whom the administrative sanctions provided in this subsection

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16 would apply, although such contractor or third-party

17 administrator found in violation of the notification

18 requirements provided in this subsection would not have an

19 action for contribution or set-off available against the

20 employing agency or subdivision.

21   (2)(a) Any person who maintains computerized data that

22 includes personal information on behalf of another business

23 entity shall disclose to the business entity for which the

24 information is maintained any breach of the security of the

25 system as soon as practicable, but no later than 10 days

26 following the determination, if the personal information was, or

27 is reasonably believed to have been, acquired by an unauthorized

28 person. The person who maintains the data on behalf of another

29 business entity and the business entity on whose behalf the data

30 is maintained may agree who will provide the notice, if any is

31 required, as provided in paragraph (1)(a), provided only a

32 single notice for each breach of the security of the system

33 shall be required. If agreement regarding notification cannot be

34 reached, the person who has the direct business relationship

35 with the resident of this state shall be subject to the

36 provisions of paragraph (1)(a).

37   (b) Any person required to disclose to a business entity

38 under paragraph (a) who fails to do so within 10 days after the

39 determination of a breach or receipt of notification from law

40 enforcement as provided in subsection (3) is liable for an

41 administrative fine not to exceed $500,000, as follows:

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42   1. In the amount of $1,000 for each day the breach goes

43 undisclosed for up to 30 days and, thereafter, $50,000 for each

44 30-day period or portion thereof for up to 180 days.

45   2. If disclosure is not made within 180 days, any person

46 required to make disclosures under paragraph (a) who fails to do

47 so is subject to an administrative fine of up to $500,000.

48   (c) The administrative sanctions for nondisclosure

49 provided in this subsection shall apply per breach and not per

50 individual affected by the breach.

51   (d) The administrative sanctions for nondisclosure

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