AN ACT concerning consumer fraud.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Personal Information Protection Act is amended by changing Section 10 and by adding Sections 12, 25, and 30 as follows:

(815 ILCS 530/10)

Sec. 10. Notice of Breach.

(a) Any data collector that owns or licenses personal information concerning an Illinois resident shall notify the resident at no charge that there has been a breach of the security of the system data following discovery or notification of the breach. The disclosure notification shall be made in the most expedient time possible and without unreasonable delay, consistent with any measures necessary to determine the scope of the breach and restore the reasonable integrity, security, and confidentiality of the data system.

(b) Any data collector that maintains computerized data that includes personal information that the data collector does not own or license shall notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

(b-5) The notification required by subsection (a) of this Section may be delayed if an appropriate law enforcement agency determines that notification will interfere with a criminal investigation and provides the data collector with a written request for the delay. However, the data collector must notify the Illinois resident as soon as notification will no longer interfere with the investigation.

(c) For purposes of this Section, notice to consumers may

be provided by one of the following methods:

(1) written notice;

(2) electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures for notices legally required to be in writing as set forth in Section 7001 of Title 15 of the United States Code; or

(3) substitute notice, if the data collector demonstrates that the cost of providing notice would exceed $250,000 or that the affected class of subject persons to be notified exceeds 500,000, or the data collector does not have sufficient contact information. Substitute notice shall consist of all of the following: (i) email notice if the data collector has an email address for the subject persons; (ii) conspicuous posting of the notice on the data collector's web site page if the data collector maintains one; and (iii) notification to major statewide media.

(d) Notwithstanding subsection (c), a data collector that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this Act, shall be deemed in compliance with the notification requirements of this Section if the data collector notifies subject persons in accordance with its policies in the event of a breach of the security of the system data.

(Source: P.A. 94-36, eff. 1-1-06.)

(815 ILCS 530/12 new)

Sec. 12. Notice of breach; State agency.

(a) Any State agency that collects personal information concerning an Illinois resident shall notify the resident at no charge that there has been a breach of the security of the system data or written material following discovery or notification of the breach. The disclosure notification shall be made in the most expedient time possible and without

unreasonable delay, consistent with any measures necessary to determine the scope of the breach and restore the reasonable integrity, security, and confidentiality of the data system.

(b) For purposes of this Section, notice to residents may be provided by one of the following methods:

(1) written notice;

(2) electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures for notices legally required to be in writing as set forth in Section 7001 of Title 15 of the United States Code; or

(3) substitute notice, if the State agency demonstrates that the cost of providing notice would exceed $250,000 or that the affected class of subject persons to be notified exceeds 500,000, or the State agency does not have sufficient contact information. Substitute notice shall consist of all of the following: (i) email notice if the State agency has an email address for the subject persons; (ii) conspicuous posting of the notice on the State agency's web site page if the State agency maintains one; and (iii) notification to major statewide media.

(c) Notwithstanding subsection (b), a State agency that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this Act shall be deemed in compliance with the notification requirements of this Section if the State agency notifies subject persons in accordance with its policies in the event of a breach of the security of the system data or written material.

(d) If a State agency is required to notify more than 1,000 persons of a breach of security pursuant to this Section, the State agency shall also notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined by 15 U.S.C. Section 1681a(p), of the timing, distribution, and content of

the notices. Nothing in this subsection (d) shall be construed to require the State agency to provide to the consumer reporting agency the names or other personal identifying information of breach notice recipients.

(815 ILCS 530/25 new)

Sec. 25. Annual reporting. Any State agency that collects personal data and has had a breach of security of the system data or written material shall submit a report within 5 business days of the discovery or notification of the breach to the General Assembly listing the breaches and outlining any corrective measures that have been taken to prevent future breaches of the security of the system data or written material. Any State agency that has submitted a report under this Section shall submit an annual report listing all breaches of security of the system data or written materials and the corrective measures that have been taken to prevent future breaches.

(815 ILCS 530/30 new)

Sec. 30. Safe disposal of information. Any State agency that collects personal data that is no longer needed or stored at the agency shall dispose of the personal data or written material it has collected in such a manner as to ensure the security and confidentiality of the material.

Section 99. Effective date. This Act takes effect upon becoming law.