

HB4367



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4367

by Rep. Barbara Wheeler

SYNOPSIS AS INTRODUCED:

815 ILCS 530/10

Amends the Personal Information Protection Act. Provides that a private entity data collector that owns or licenses personal information concerning an Illinois resident must notify the resident of any security breach of the system data within 14 days after discovery of the breach (rather than requiring notification in the most expedient time possible and without unreasonable delay).

LRB100 16914 JLS 32056 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Personal Information Protection Act is
5 amended by changing Section 10 as follows:

6 (815 ILCS 530/10)

7 Sec. 10. Notice of breach.

8 (a) Any data collector that owns or licenses personal
9 information concerning an Illinois resident shall notify the
10 resident at no charge that there has been a breach of the
11 security of the system data following discovery or notification
12 of the breach. The disclosure notification shall be made by
13 private entities within 14 days after discovery of the breach
14 and by public entities in the most expedient time possible and
15 without unreasonable delay, consistent with any measures
16 necessary to determine the scope of the breach and restore the
17 reasonable integrity, security, and confidentiality of the
18 data system. The disclosure notification to an Illinois
19 resident shall include, but need not be limited to, information
20 as follows:

21 (1) With respect to personal information as defined in
22 Section 5 in paragraph (1) of the definition of "personal
23 information":

1 (A) the toll-free numbers and addresses for
2 consumer reporting agencies;

3 (B) the toll-free number, address, and website
4 address for the Federal Trade Commission; and

5 (C) a statement that the individual can obtain
6 information from these sources about fraud alerts and
7 security freezes.

8 (2) With respect to personal information defined in
9 Section 5 in paragraph (2) of the definition of "personal
10 information", notice may be provided in electronic or other
11 form directing the Illinois resident whose personal
12 information has been breached to promptly change his or her
13 user name or password and security question or answer, as
14 applicable, or to take other steps appropriate to protect
15 all online accounts for which the resident uses the same
16 user name or email address and password or security
17 question and answer.

18 The notification shall not, however, include information
19 concerning the number of Illinois residents affected by the
20 breach.

21 (b) Any data collector that maintains or stores, but does
22 not own or license, computerized data that includes personal
23 information that the data collector does not own or license
24 shall notify the owner or licensee of the information of any
25 breach of the security of the data immediately following
26 discovery, if the personal information was, or is reasonably

1 believed to have been, acquired by an unauthorized person. In
2 addition to providing such notification to the owner or
3 licensee, the data collector shall cooperate with the owner or
4 licensee in matters relating to the breach. That cooperation
5 shall include, but need not be limited to, (i) informing the
6 owner or licensee of the breach, including giving notice of the
7 date or approximate date of the breach and the nature of the
8 breach, and (ii) informing the owner or licensee of any steps
9 the data collector has taken or plans to take relating to the
10 breach. The data collector's cooperation shall not, however, be
11 deemed to require either the disclosure of confidential
12 business information or trade secrets or the notification of an
13 Illinois resident who may have been affected by the breach.

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

21 (c) For purposes of this Section, notice to consumers may
22 be provided by one of the following methods:

23 (1) written notice;

24 (2) electronic notice, if the notice provided is
25 consistent with the provisions regarding electronic
26 records and signatures for notices legally required to be

1 in writing as set forth in Section 7001 of Title 15 of the
2 United States Code; or

3 (3) substitute notice, if the data collector
4 demonstrates that the cost of providing notice would exceed
5 \$250,000 or that the affected class of subject persons to
6 be notified exceeds 500,000, or the data collector does not
7 have sufficient contact information. Substitute notice
8 shall consist of all of the following: (i) email notice if
9 the data collector has an email address for the subject
10 persons; (ii) conspicuous posting of the notice on the data
11 collector's web site page if the data collector maintains
12 one; and (iii) notification to major statewide media or, if
13 the breach impacts residents in one geographic area, to
14 prominent local media in areas where affected individuals
15 are likely to reside if such notice is reasonably
16 calculated to give actual notice to persons whom notice is
17 required.

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

1 (Source: P.A. 99-503, eff. 1-1-17; 100-201, eff. 8-18-17.)