

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Bowen Analyst: Darrine Distefano Bill Number: SB 1279

Related Bills: See Prior Analysis Telephone: 845-6458 Amended Date: June 9, 2004

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agencies Notify California Resident Of Any Breach Of Security Of Data

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended April 16, 2004.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED April 16, 2004 STILL APPLIES.

OTHER - See comments below.

SUMMARY

This bill would require a state agency to notify a resident of California when a breach of security of that agency's data has occurred.

SUMMARY OF AMENDMENTS

The June 9, 2004, amendments remove the unauthorized disclosure of personal information provisions. As a result, a new "THIS BILL," "IMPLEMENTATION CONSIDERATION," and "ECONOMIC IMPACT," is provided below to analyze the new provisions of the bill. The remainder of the department's analysis of the bill as amended April 16, 2004, still applies.

POSITION

No position.

ANALYSIS

THIS BILL

This bill would require a state agency to notify a California resident that there has been a breach in the security of the data that contains their personal information.

Board Position:

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Legislative Director

Date

Brian Putler

7/6/04

This bill would not require notification if an investigation by a law enforcement agency determines that an unauthorized person did not acquire the personal information.

This bill would expand the types of data that would be protected from unauthorized acquisition by removing the term "computerized" to include all types of data systems that contain personal information owned or licensed by a state agency.

This bill would make several non-substantive changes and repeal duplicate provisions of current law in the Civil Code.

IMPLEMENTATION CONSIDERATION

This bill is expanding the types of data that would be protected from unauthorized acquisition to include paper documents. Franchise Tax Board (FTB) handles paper documents such as tax returns and personnel documents that contain personal information. FTB monitors access and use of paper documents under a manual process and notifies the affected person(s) should their information be accessed or disclosed to an unauthorized person. However, under this bill, the department would need to develop additional criteria for notification of breaches involving paper documents.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue or the department's current programs or practices.

LEGISLATIVE STAFF CONTACT

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