A BILL

FOR AN ACT ENTITLED

"An Act relating to release of information in individual workers' compensation records; relating to breaches of security involving personal information, credit report and credit score security freezes, consumer credit monitoring, credit accuracy, protection of social security numbers, disposal of records, identity theft, furnishing consumer credit header information, credit cards, and debit cards; amending Rule 60, Alaska Rules of Civil Procedure; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 23.30.107(b) is amended to read:

(b) Medical or rehabilitation records, **and the employee's name, address, social security number, and telephone number contained on any record,** in an employee's file maintained by the division or held by the board are not public records subject to public inspection and copying under AS 40.25. This subsection does not prohibit
(1) the reemployment benefits administrator, the division, the board, or
the department from releasing medical or rehabilitation records in an employee's file,
without the employee's consent, to a physician providing medical services under
AS 23.30.095(k) or 23.30.110(g), a party to a claim filed by the employee, or a
governmental agency; or

(2) the quoting or discussing of medical or rehabilitation records
contained in an employee's file during a hearing on a claim for compensation or in a
decision and order of the board.

* Sec. 2. AS 23.30.107 is amended by adding a new subsection to read:

(d) An employee may elect to authorize the disclosure of the employee's
name, address, social security number, and telephone number contained in a record
described in (b) of this section by signing a declaration on a form provided by the
division.

* Sec. 3. AS 40.21.110 is amended to read:

**Sec. 40.21.110. Care of records.** Except for public records lawfully in the
possession of a person other than the state, public records of existing or defunct
agencies of the state, territorial, and Russian governments in Alaska are the property
of the state and shall be created, maintained, preserved, stored, transferred, destroyed
or disposed of, and otherwise managed in accordance with the provisions of this
chapter **and AS 45.48.500 - 45.48.530.** Records shall be delivered by outgoing
officials and employees to their successors, and may not be removed, destroyed or
disposed of, except as provided in this chapter **and AS 45.48.500 - 45.48.530.**

* Sec. 4. AS 44.64.030(a) is amended by adding a new paragraph to read:

(35) AS 45.48.060(c) (breach of security involving personal
information).

* Sec. 5. AS 45 is amended by adding a new chapter to read:

**Chapter 48. Personal Information Protection Act.**

**Article 1. Breach of Security Involving Personal Information.**

**Sec. 45.48.010. Disclosure of breach of security.** (a) If a person owns or uses
personal information that includes personal information on a state resident, and a
breach of the security of the information system containing the personal information
occurs, the person shall, after discovering or being notified of the breach, disclose the
breach to each state resident whose personal information was subject to the breach.

(b) An information collector shall make the disclosure required by (a) of this
section in the most expeditious time possible and without unreasonable delay, except
as provided in AS 45.48.020 and as necessary to determine the scope of the breach and
restore the reasonable integrity of the information system.

Sec. 45.48.020. Allowable delay in notification. An information collector
may delay disclosing the breach under AS 45.48.010 if an appropriate law
enforcement agency determines that disclosing the breach will interfere with a
criminal investigation. However, the information collector shall disclose the breach to
the state resident in the most expeditious time possible and without unreasonable delay
after the law enforcement agency informs the information collector in writing that
disclosure of the breach will no longer interfere with the investigation.

Sec. 45.48.030. Methods of notice. An information collector shall make the
disclosure required by AS 45.48.010

(1) by a written document sent to the most recent address the
information collector has for the state resident;

(2) by electronic means if making the disclosure by the electronic
means is consistent with the provisions regarding electronic records and signatures
required for notices legally required to be in writing under 15 U.S.C. 7001 et seq.
(Electronic Signatures in Global and National Commerce Act); or

(3) if the information collector demonstrates that the cost of providing
notice would exceed $250,000, that the affected class of state residents to be notified
exceeds 500,000, or that the information collector does not have sufficient contact
information to provide notice, by

(A) electronic mail if the information collector has an
electronic mail address for the state resident;

(B) conspicuously posting the disclosure on the Internet
website of the information collector if the information collector maintains an
Internet site; and

(C) providing a notice to major statewide media.
Sec. 45.48.040. Notification of certain other agencies. (a) If an information collector is required by AS 45.48.010 to notify more than 1,000 state residents of a breach, the information collector shall also notify without unreasonable delay all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis and provide the agencies with the timing, distribution, and content of the notices.

(b) This section may not be construed to require the information collector to provide the consumer reporting agencies identified under (a) of this section with the names or other personal information of the state residents whose personal information was subject to the breach.

(c) This section does not apply to an information collector who is subject to 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act).

(d) In this section, "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" has the meaning given in 15 U.S.C. 1681a(p).

Sec. 45.48.050. Exception for employees and agents. In AS 45.48.010 - 45.48.090, the good faith acquisition of personal information by an employee or agent of an information collector for a legitimate purpose of the information collector is not a breach of the security of the information system if the employee or agent does not use the personal information for a purpose unrelated to a legitimate purpose of the information collector and does not make further unauthorized disclosure of the personal information.

Sec. 45.48.060. Waivers. A waiver of AS 45.48.010 - 45.48.090 is void and unenforceable.

Sec. 45.48.070. Treatment of certain breaches. (a) If a breach of the security of the information system containing personal information on a state resident that is maintained by an information recipient occurs, the information recipient is not required to comply with AS 45.48.010 - 45.48.030. However, immediately after the information recipient discovers the breach, the information recipient shall notify the information distributor who owns the personal information or who licensed the use of the personal information to the information recipient about the breach and cooperate
with the information distributor as necessary to allow the information distributor to comply with (b) of this section. In this subsection, "cooperate" means sharing with the information distributor information relevant to the breach, except for confidential business information or trade secrets.

(b) If an information recipient notifies an information distributor of a breach under (a) of this section, the information distributor shall comply with AS 45.48.010 - 45.48.030 as if the breach occurred to the information system maintained by the information distributor.

Sec. 45.48.080. Violations. (a) If an information collector who is a governmental agency violates AS 45.48.010 - 45.48.090 with regard to the personal information of a state resident, the information collector

(1) is liable to the state for a civil penalty of up to $500 for each state resident who was not notified under AS 45.48.010 - 45.48.090, but the total civil penalty may not exceed $50,000; and

(2) may be enjoined from further violations.

(b) If an information collector who is not a governmental agency violates AS 45.48.010 - 45.48.090 with regard to the personal information of a state resident, the violation is an unfair or deceptive act or practice under AS 45.50.471 - 45.50.561. However, the information collector is not subject to the civil penalties imposed under AS 45.50.551 but is liable to the state for a civil penalty of up to $500 for each state resident who was not notified under AS 45.48.010 - 45.48.090, except that the total civil penalty may not exceed $50,000.

(c) The Department of Administration may enforce (a) of this section against a governmental agency. The procedure for review of an order or action of the department under this subsection is the same as the procedure provided by AS 44.62 (Administrative Procedure Act), except that the office of administrative hearings (AS 44.64.010) shall conduct the hearings in contested cases and the decision may be appealed under AS 44.64.030(c).

(d) In this section, "governmental agency" means a state or local governmental agency, except for an agency of the judicial branch.

Sec. 45.48.090. Definitions. In AS 45.48.010 - 45.48.090,
(1) "breach of the security" means unauthorized acquisition, or reasonable belief of unauthorized acquisition, of personal information that compromises the security, confidentiality, or integrity of the personal information maintained by the information collector; in this paragraph, "acquisition" includes acquisition by

(A) photocopying, facsimile, or other paper-based method;

(B) a device, including a computer, that can read, write, or store information that is represented in numerical form; or

(C) a method not identified by (A) or (B) of this paragraph;

(2) "information collector" means a person who owns or uses personal information in any form if the personal information includes personal information on a state resident;

(3) "information distributor" means a person who is an information collector and who owns or licenses personal information to an information recipient;

(4) "information recipient" means a person who is an information collector but who does not own or have the right to license to another information collector the personal information received by the person from an information distributor;

(5) "personal information" means information in any form on an individual that is not encrypted or redacted, or is encrypted and the encryption key has been accessed or acquired, and that consists of a combination of

(A) an individual's name, address, or telephone number; in this subparagraph, "individual's name" means a combination of an individual's

(i) first name or first initial; and

(ii) last name; and

(B) one or more of the following information elements:

(i) the individual's social security number;

(ii) the individual's driver's license number or state identification card number;

(iii) the individual's account number, credit card account number, or debit card account number;
(iv) account passwords or personal identification numbers or other access codes.

Article 2. Credit Report and Credit Score Security Freeze.

Sec. 45.48.100. Security freeze authorized. A consumer may prohibit a consumer credit reporting agency from releasing all or a part of the consumer's credit report or credit score without the express authorization of the consumer by placing a security freeze on the consumer's credit report.

Sec. 45.48.110. Placement of security freeze. (a) To place a security freeze, a consumer shall make the request to the consumer credit reporting agency

1. by certified mail to the address designated by the consumer credit reporting agency to receive security freeze requests; or

2. as allowed by (b) of this section.

(b) A consumer may make a request under (a) of this section by telephone or by fax, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

(c) A consumer credit reporting agency shall place a security freeze within five business days after receiving a request under (a) or (b) of this section and proper identification from the consumer.

Sec. 45.48.120. Confirmation of security freeze. (a) Within 10 business days after a consumer makes the request under AS 45.48.110, a consumer credit reporting agency shall send a written confirmation of the placement of the security freeze to the consumer.

(b) At the same time that the consumer credit reporting agency sends a confirmation under (a) of this section, the consumer credit reporting agency shall provide the consumer with a unique personal identification number, password, or similar device to be used by the consumer when the consumer authorizes the release of the consumer's credit report or credit score under AS 45.48.130.

Sec. 45.48.130. Access and actions during security freeze. (a) While a security freeze is in place, a consumer credit reporting agency shall allow a third party access to a consumer's credit report or credit score if the consumer requests that the
consumer credit reporting agency allow the access.

(b) To make a request under (a) of this section, the consumer shall contact the consumer credit reporting agency by certified mail to the address designated by the consumer credit reporting agency to receive security freeze requests or as allowed by (c) of this section, authorize the consumer credit reporting agency to allow the access, and provide the consumer credit reporting agency with

1. proper identification to verify the consumer's identity;
2. the unique personal identification number, password, or similar device provided under AS 45.48.120(b); and
3. the proper information necessary to identify the third party to whom the consumer credit reporting agency may allow the access or the time period during which the consumer credit reporting agency may allow the access to third parties who request the access.

(c) In addition to certified mail, a consumer may make a request under (a) of this section by telephone or by fax, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

(d) A consumer credit reporting agency that receives a request from a consumer under (b) or (c) of this section shall comply with the request immediately after receiving the request by telephone or by an electronic medium or within three business days after receiving the request by certified mail.

(e) If a security freeze is in place, a consumer credit reporting agency may not release the credit report or credit score to a third party without the prior express authorization of the consumer.

(f) If a security freeze is in place on a consumer's credit report and credit score and if a third party applies to a consumer credit reporting agency to provide the third party with access to the consumer's credit report or credit score, the consumer credit reporting agency and, except as provided for insurers under (g) of this section, the third party may treat the third party's application as incomplete unless the consumer authorizes the access under (a) of this section.

(g) If an insurer requests access to a consumer report on which a security
freeze is in place, unless the consumer authorizes access under (a) of this section, the
insurer may, notwithstanding AS 21.36.460,

(1) treat the consumer's application as incomplete;
(2) decline the consumer's application if the consumer does not lift the
security freeze for the insurer after a request by the insurer or the insurer's agent;
(3) treat the consumer as if the consumer has a neutral credit rating;
(4) exclude the use of credit information as a factor and use only
underwriting criteria; or
(5) treat the consumer in a manner that is otherwise approved by the
division of insurance.

(h) If a security freeze is in place, a consumer credit reporting agency may not
change the consumer's official information in the credit report without sending a
written statement of the change to the consumer within 30 days after the change is
made. A consumer credit reporting agency is not required to send a written statement
if the consumer credit reporting agency makes a technical change in the consumer's
official information. If a consumer credit reporting agency makes a change, other than
a technical change, in a consumer's address, the consumer credit reporting agency
shall send the written statement to the consumer at both the new address and the
former address. In this subsection,

(1) "official information" means name, birth date, social security
number, and address;
(2) "technical change" means changing spelling, transposing numbers
or letters, abbreviating a word, or spelling out an abbreviation.

(i) This section is not intended to prevent a consumer credit reporting agency
from advising a third party that requests access to a consumer's credit report or credit
score that a security freeze is in effect.

(j) The procedures used by a consumer credit reporting agency for
implementing the provisions of this section may include the use of telephone,
facsimile, or electronic means if making the disclosure by the electronic means is
consistent with the provisions regarding electronic records and signatures required for
notices legally required to be in writing under 15 U.S.C. 7001 et seq. (Electronic
Signatures in Global and National Commerce Act), Internet, electronic mail, or another electronic method.

**Sec. 45.48.140. Removal of security freeze.** (a) Except as provided by AS 45.48.130, a consumer credit reporting agency may not remove a security freeze unless

(1) the consumer requests that the consumer credit reporting agency remove the security freeze under (b) of this section; or

(2) the consumer made a material misrepresentation of fact to the consumer credit reporting agency when the consumer requested the security freeze under AS 45.48.110; if a consumer credit reporting agency intends to remove a security freeze on a consumer's credit report under this paragraph, the consumer credit reporting agency shall notify the consumer in writing before removing the security freeze.

(b) A consumer credit reporting agency shall remove a security freeze immediately after receiving a request for removal from the consumer who requested the security freeze.

(c) To make a request under (b) of this section, the consumer shall contact the consumer credit reporting agency by certified mail or as allowed by (d) of this section, authorize the consumer credit reporting agency to remove the security freeze, and provide the consumer credit reporting agency with

(1) proper identification to verify the consumer's identity; and

(2) the unique personal identification number, password, or similar device provided under AS 45.48.120(b).

(d) In addition to certified mail, a consumer may make a request under (b) of this section by telephone or by fax, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

**Sec. 45.48.150. Prohibition.** When dealing with a third party, a consumer credit reporting agency may not suggest, state, or imply that a consumer's security freeze reflects a negative credit score, history, report, or rating.

**Sec. 45.48.160. Charges.** (a) Except as provided by (b) of this section, a
consumer credit reporting agency may not charge a consumer to place or remove a
security freeze, to provide access under AS 45.48.130, or to take any other action,
including the issuance of a personal identification number, password, or similar device
under AS 45.48.120, that is related to the placement of, removal of, or allowing access
to a credit report or credit score on which a security freeze has been placed.

(b) If a consumer fails to retain a personal identification number, password, or
similar device issued under AS 45.48.120, a consumer credit reporting agency may
charge the consumer up to $5 for each time after the first time that the consumer credit
reporting agency issues the consumer another personal identification number, password, or similar device because the consumer failed to retain the personal
identification number, password, or similar device.

Sec. 45.48.170. Notice of rights. When a consumer credit reporting agency is
required to give a consumer a summary of rights under 15 U.S.C. 1681g (Fair Credit
Reporting Act), a consumer credit reporting agency shall also give the consumer the
following notice:

Consumers Have the Right to Obtain a Security Freeze

You may obtain a security freeze on your credit report and
credit score at no charge to protect your privacy and ensure that credit
is not granted in your name without your knowledge. You have a right
to place a "security freeze" on your credit report and credit score under
state law (AS 45.48.100 - 45.48.290).

The security freeze will prohibit a consumer credit reporting
agency from releasing your credit score and any information in your
credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans, and
other services from being approved in your name without your consent.
However, you should be aware that using a security freeze to take
control over who gets access to the personal and financial information
in your credit report and credit score may delay, interfere with, or
prohibit the timely approval of any subsequent request or application
you make regarding a new loan, credit, a mortgage, a governmental
service, a governmental payment, rental housing, employment, an
investment, a license, a cellular phone, a utility, a digital signature, an
Internet credit card transaction, an extension of credit at point of sale,
and other items and services.

When you place a security freeze on your credit report and
credit score, within 10 business days you will be provided a personal
identification number, password, or similar device to use if you choose
to remove the freeze on your credit report and credit score or to
temporarily authorize the release of your credit report and credit score
to a specific third party or specific third parties or for a specific period
of time after the freeze is in place. To provide that authorization, you
must contact the consumer credit reporting agency and provide all of
the following:

(1) proper identification to verify your identity;

(2) the personal identification number, password, or
similar device provided by the consumer credit reporting agency;

(3) proper information necessary to identify the third
party or third parties who are authorized to receive the credit report and
credit score or the specific period of time for which the credit report
and credit score are to be available to third parties.

A consumer credit reporting agency that receives your request
to temporarily lift a freeze on a credit report and credit score is required
to comply with the request immediately after receiving your request if
you make the request by telephone, or an electronic method if the
agency provides an electronic method, or within three business days
after receiving your request if you make the request by certified mail.

A security freeze does not apply to circumstances where you
have an existing account relationship and a copy of your credit report
and credit score are requested by your existing creditor or its agents or
affiliates for certain types of account review, collection, fraud control,
or similar activities.
If you are actively seeking credit, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around, or specifically for a certain creditor, days before actually applying for new credit.

You have a right to bring a civil action against someone who violates your rights under these laws on security freezes. The action can be brought against a consumer credit reporting agency.

**Sec. 45.48.180. Notification after violation.** If a consumer credit reporting agency violates a security freeze by releasing a consumer's credit report or credit score, the consumer credit reporting agency shall notify the consumer within five business days after the release, and the information in the notice must include an identification of the information released and of the third party who received the information.

**Sec. 45.48.190. Violations and penalties.** (a) A consumer who suffers damages as a result of a person's violation of AS 45.48.100 - 45.48.290 may bring an action in court against the person and recover, in the case of a violation where the person acted

(1) negligently, actual damages, including loss of wages, and, when applicable, damages for pain and suffering;

(2) knowingly,

(A) damages as described in (1) of this subsection;

(B) punitive damages that are not less than $100 nor more than $5,000 for each violation as the court determines to be appropriate; and

(C) other relief that the court determines to be appropriate.

(b) A consumer may bring an action in court against a person for a violation or threatened violation of AS 45.48.100 - 45.48.290 for injunctive relief, whether or not the consumer seeks another remedy under this section.

(c) Notwithstanding (a)(2) of this section, a person who knowingly violates AS 45.48.100 - 45.48.290 is liable in a class action for an amount that the court allows. When determining the amount of an award in a class action under this
subsection, the court shall consider, among the relevant factors, the amount of any actual damages awarded, the frequency of the violations, the resources of the violator, and the number of consumers adversely affected.

(d) In this section, "knowingly" has the meaning given in AS 11.81.900.

Sec. 45.48.200. Exemptions. The provisions of AS 45.48.100 - 45.48.290 do not apply to the use of a credit report by

(1) a person, the person's subsidiary, affiliate, or agent, or the person's assignee with whom a consumer has or, before the assignment, had an account, contract, or debtor-creditor relationship if the purpose of the use is to review the consumer's account or to collect a financial obligation owing on the account, contract, or debt;

(2) a subsidiary, an affiliate, an agent, an assignee, or a prospective assignee of a person to whom access has been granted under AS 45.48.130 if the purpose of the use is to facilitate the extension of credit or another permissible use;

(3) a person acting under a court order, warrant, or subpoena;

(4) an agency of a state or municipality that administers a program for establishing and enforcing child support obligations;

(5) the Department of Health and Social Services, its agents, or its assigns when investigating fraud;

(6) the Department of Revenue, its agents, or its assigns when investigating or collecting delinquent taxes or unpaid court orders or when implementing its other statutory responsibilities;

(7) a person if the purpose of the use is prescreening allowed under 15 U.S.C. 1681b(c) (Fair Credit Reporting Act);

(8) a person administering a credit file monitoring subscription service to which the consumer has subscribed;

(9) a person providing a consumer with a copy of the consumer's credit report or credit score at the consumer's request;

(10) a consumer credit reporting agency if the data base or file of the consumer credit reporting agency consists entirely of information concerning and used solely for one or more of the following purposes:
(A) criminal record information;
(B) personal loss history information;
(C) fraud prevention or detection;
(D) tenant screening; or
(E) employment screening.

(A) a person who acts only as a reseller of consumer information by assembling and merging information contained in the data bases of consumer credit reporting agencies and does not maintain a permanent data base of consumer information from which new consumer credit reports are produced.

Sec. 45.48.290. Definitions. In AS 45.48.100 - 45.48.290,

(1) "account review" means activities related to account maintenance, account monitoring, credit line increases, and account upgrades and enhancements;

(2) "consumer" means an individual who is the subject of a credit report or credit score;

(3) "consumer credit reporting agency" has the meaning given in AS 45.48.990, but does not include a person who issues reports

(A) on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payments; or

(B) regarding account closures due to fraud, substantial overdrafts, automated teller machine abuse, or similar negative information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing consumer requests for deposit accounts at the inquiring banks or financial institutions;

(4) "security freeze" means a prohibition against a consumer credit reporting agency from releasing all or a part of a consumer's credit report or credit score without the express authorization of the consumer;

(5) "third party" means a person who is not

(A) the consumer who is the subject of the consumer's credit report or credit score; or

(B) the consumer credit reporting agency that is holding the
Article 3. Consumer Credit Monitoring; Credit Accuracy.

Sec. 45.48.300. Required disclosure. A consumer credit reporting agency shall, if a consumer makes the request and the request is not covered by the free disclosure provision of 15 U.S.C. 1681j(a) - (d) (Fair Credit Reporting Act), clearly and accurately disclose to the consumer the information described under AS 45.48.310.

Sec. 45.48.310. Information to be disclosed. (a) The following information shall be disclosed under AS 45.48.300:

(1) all information in the consumer's file when the consumer makes the request, except that this paragraph may not be construed to require a consumer credit reporting agency to disclose information concerning credit scores, risk scores, or other predictors that are governed by 15 U.S.C. 1681g;

(2) the sources of the information described in (1) of this subsection;

(3) an identification of each person, including each end user identified under 15 U.S.C. 1681e, who procured a report on the consumer

(A) for employment purposes during the two-year period that precedes the date when the consumer's request is made; or

(B) for a purpose other than employment purposes during the one-year period that precedes the date when the consumer's request is made;

(4) the dates, original payees, and amounts of any checks that

(A) provide the basis for an adverse characterization of the consumer; and

(B) are included in the file when the disclosure is made or can be inferred from the file;

(5) a record of all inquiries that were received by the consumer credit reporting agency during the one-year period that precedes the request and that identify the consumer in connection with a credit or insurance transaction that was not initiated by the consumer; and

(6) a statement that the consumer may request and obtain a credit score if the consumer requests the credit file and not the credit score.
(b) The information to be disclosed under (a)(3) of this section must include:

1. the name of the person or, if applicable, the full trade name under which the person conducts business; and
2. the address and telephone number of the person if requested by the consumer.

(c) A consumer credit reporting agency is not required to disclose the information described in (a)(3) of this section if:

1. the end user is an agency of the United States government and procures the consumer's credit report from the consumer credit reporting agency to determine the eligibility of the consumer to receive access or continued access to classified information; in this paragraph, "classified information" has the meaning given in 15 U.S.C. 1681b; and
2. the individual who is in charge of the end user makes a written finding as prescribed under 15 U.S.C. 1681b(b)(4)(A).

**Sec. 45.48.320. Cost of disclosure.** (a) A consumer credit reporting agency may impose a reasonable charge on a consumer for making a disclosure under AS 45.48.300. The charge may not exceed:

1. $2 for each of the first 12 requests from the consumer in a calendar year;
2. $8 for each request beyond the 12 requests covered by (1) of this subsection in a calendar year.

(b) The consumer credit reporting agency shall disclose the charge to the consumer before making the disclosure under AS 45.48.300.

**Sec. 45.48.330. Form of disclosure.** (a) A consumer may make the request under AS 45.48.300 in writing, in person, by telephone if the consumer has made a written request for the disclosure, by electronic means if the consumer credit reporting agency offers electronic access for any other purpose, or by any other reasonable means that is available from the consumer credit reporting agency.

(b) To make a request in person under (a) of this section, the consumer shall, after reasonable notice to the consumer credit reporting agency, appear during normal business hours at the consumer credit reporting agency's place of business where the
consumer credit reporting agency normally provides disclosures under AS 45.48.300.

**Sec. 45.48.340. Timing of disclosure.** A consumer credit reporting agency shall provide a consumer with the disclosure under AS 45.48.300 within

(1) 24 hours after the date on which the request is made if the disclosure is made by electronic means under AS 45.48.330(a); or

(2) five days after the date on which the request is made if the disclosure is made in writing, in person, by telephone, or by any other reasonable means that is available from the consumer credit reporting agency, except by electronic means.

**Sec. 45.48.350. Credit accuracy.** (a) A person who does business in the state by distributing information about an individual's credit history, score, or ranking shall, when notified that the information that the person is distributing is inaccurate, immediately stop distributing the information until the accuracy of the information can be verified or the inaccuracies in the information corrected.

(b) If a person who does business in the state by distributing information about an individual's credit history, score, or ranking releases information about an individual that is inaccurate, the person shall, as quickly as possible after discovering that inaccurate information is being distributed,

(1) repair, to the extent possible, the damage to the individual caused by the release of the inaccurate information; and

(2) pay fair and reasonable compensation to the individual for the damage caused to the individual by the release of the inaccurate information.

(c) If a person fails to comply with (b) of this section, an individual may bring an action in court to compel the person to comply with (b) of this section.

(d) In this section, "does business in the state" means engages in activities that provide at least the minimum contacts required by substantive due process for the state to exercise jurisdiction over the person who is engaging in the activities.

**Article 4. Protection of Social Security Number.**

**Sec. 45.48.400. Use of social security number.** A person may not

(1) intentionally communicate or otherwise make available to the general public an individual's social security number;
(2) print an individual's social security number on a card required for
the individual to access products or services provided by the person;

(3) require an individual to transmit the individual's social security
number over the Internet unless the Internet connection is secure or the social security
number is encrypted;

(4) require an individual to use the individual's social security number
to access an Internet site unless a password, a unique personal identification number,
or another authentication device is also required in order to access the site; or

(5) print an individual's social security number on material that is
mailed to the individual unless

(A) local, state, or federal law, including a regulation adopted
under AS 45.48.470, expressly authorizes placement of the social security
number on the material; or

(B) the social security number is included on an application or
other form, including a document sent as a part of an application process or an
enrollment process, sent by mail to establish, amend, or terminate an account, a
contract, or a policy, or to confirm the accuracy of the social security number;
however, a social security number allowed to be mailed under this
subparagraph may not be printed, in whole or in part, on a postcard or other
mailer that does not require an envelope, or in a manner that makes the social
security number visible on the envelope or without the envelope's being
opened.

Sec. 45.48.410. Request and collection. (a) A person who does business in the
state, including the business of government, may not request or collect an individual's
social security number. This subsection does not prohibit a person from asking for
another form of identification from the individual.

(b) The prohibition in (a) of this section does not apply

(1) if the person is expressly authorized by local, state, or federal law,
including a regulation adopted under AS 45.48.470, to demand proof of the
individual's social security number, to collect the individual's social security number,
or to submit the individual's social security number to the local, state, or federal
government;

(2) to a financial institution that is regulated by 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act) if the financial institution requests or collects the individual's social security number to facilitate a transaction of the individual;

(3) to a communication to or from a consumer reporting agency; in this paragraph, "consumer reporting agency" has the meaning given in 15 U.S.C. 1681a (Fair Credit Reporting Act); or

(4) if the request or collection is for a background check on the individual, law enforcement purposes, or the individual's employment, including employment benefits.

Sec. 45.48.420. Sale, lease, loan, trade, or rental. (a) A person may not sell, lease, loan, trade, or rent an individual's social security number to a third party.

(b) The prohibition in (a) of this section does not apply if the sale, lease, loan, trade, or rental is

(1) expressly authorized by local, state, or federal law, including a regulation adopted under AS 45.48.470;

(2) part of a report prepared by a consumer credit reporting agency in response to a request by a person and the person submits the social security number as part of the request to the consumer credit reporting agency for the preparation of the report.

Sec. 45.48.430. Disclosure. (a) A person doing business including the business of government, may not disclose an individual's social security number to a third party.

(b) The prohibition in (a) of this section does not apply if

(1) the disclosure is expressly authorized by local, state, or federal law, including a regulation adopted under AS 45.48.470;

(2) the third party is a financial institution that is regulated by 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act), and the disclosure is to facilitate a transaction of the individual;

(3) the disclosure is part of a report prepared by a consumer credit
reporting agency in response to a request by a person and the person submits the social
security number as part of the request to the consumer credit reporting agency for the
preparation of the report; or

(4) the disclosure is for a background check on the individual, law
enforcement purposes, or the individual's employment, including employment
benefits.

Sec. 45.48.440. Interagency disclosure. Notwithstanding the other provisions
of AS 45.48.400 - 45.48.480, a state or local governmental agency may disclose an
individual's social security number to another state or local governmental agency or to
an agency of the federal government if the disclosure is required in order for the
agency to carry out the agency's duties and responsibilities.

Sec. 45.48.450. Exception for employees, agents, and independent
contractors. (a) Notwithstanding the other provisions of AS 45.48.400 - 45.48.480, a
person may disclose an individual's social security number to an employee or agent of
the person for a legitimate purpose established by and as directed by the person, but
the employee or agent may not use the social security number for another purpose or
make an unauthorized disclosure of the individual's personal information.

(b) Notwithstanding the other provisions of AS 45.48.400 - 45.48.480, and
except as provided for an agent under (a) of this section, a person may disclose an
individual's social security number to an independent contractor of the person to
facilitate the purpose or transaction for which the individual initially provided the
social security number to the person, but the independent contractor may not use the
social security number for another purpose or make an unauthorized disclosure of the
individual's personal information.

Sec. 45.48.460. Employment-related exception. The provisions of
AS 45.48.400 - 45.48.480 may not be construed to restrict a person's use or exchange
of an individual's social security number

(1) in the course of the administration of a claim, benefit, or procedure
related to the individual's employment by the person, including the individual's
termination from employment, retirement from employment, and injury suffered
during the course of employment; or
(2) to check on an unemployment insurance claim of the individual.

Sec. 45.48.470. Agency regulations. If the regulations are necessary in order for the state agency to carry out the state agency's duties and responsibilities, a state agency may adopt regulations under AS 44.62 (Administrative Procedure Act) to establish when the state agency or a person regulated by the state agency may

(1) print an individual's social security number on material that is mailed to the individual;

(2) demand proof from an individual of the individual's social security number, collect from an individual the individual's social security number, or submit an individual's social security number to a local, state, or federal agency;

(3) ask an individual to provide the state agency with the individual's social security number;

(4) disclose an individual's social security number to a third party;

(5) sell, lease, loan, trade, or rent an individual's social security number to a third party.

Sec. 45.48.480. Penalties. (a) A person who knowingly violates AS 45.48.400 - 45.48.430 is liable to the state for a civil penalty not to exceed $3,000.

(b) An individual may bring a civil action in court against a person who knowingly violates AS 45.48.400 - 45.48.430 and may recover actual damages or $5,000, whichever amount is greater, and court costs and attorney fees allowed by the rules of court.

(c) A person who knowingly violates AS 45.48.400 - 45.48.430 is guilty of a class A misdemeanor.

(d) In this section, "knowingly" has the meaning given in AS 11.81.900.

Article 5. Disposal of Records.

Sec. 45.48.500. Disposal of records. (a) When disposing of records that contain personal information, a business and a governmental agency shall take all reasonable measures necessary to protect against unauthorized access to or use of the records.

(b) Notwithstanding (a) of this section, if a business or governmental agency has otherwise complied with the provisions of AS 45.48.500 - 45.48.590 in the
selection of a third party engaged in the business of record destruction, the business or
governmental agency is not liable for the disposal of records under AS 45.48.500 -
45.48.590 after the business or governmental agency has relinquished control of the
records to the third party for the destruction of the records.

(c) A business or governmental agency is not liable for the disposal of records
under AS 45.48.500 - 45.48.590 after the business or governmental agency has
relinquished control of the records to the individual to whom the records pertain.

Sec. 45.48.510. Measures to protect access. The measures that may be taken
to comply with AS 45.48.500 include

(1) implementing and monitoring compliance with policies and
procedures that require the burning, pulverizing, or shredding of paper documents
containing personal information so that the personal information cannot practicably be
read or reconstructed;

(2) implementing and monitoring compliance with policies and
procedures that require the destruction or erasure of electronic media and other
nonpaper media containing personal information so that the personal information
cannot practicably be read or reconstructed;

(3) after due diligence, entering into a written contract with a third
party engaged in the business of record destruction to dispose of records containing
personal information in a manner consistent with AS 45.48.500 - 45.48.590.

Sec. 45.48.520. Due diligence. In AS 45.48.510(3), due diligence ordinarily
includes performing one or more of the following:

(1) reviewing an independent audit of the third party's operations and
its compliance with AS 45.48.500 - 45.48.590;

(2) obtaining information about the third party from several references
or other reliable sources and requiring that the third party be certified by a recognized
trade association or similar organization with a reputation for high standards of quality
review;

(3) reviewing and evaluating the third party's information security
policies and procedures, or taking other appropriate measures to determine the
competency and integrity of the third party.
Sec. 45.48.530. Policy and procedures. A business or governmental agency shall adopt written policies and procedures that relate to the adequate destruction and proper disposal of records containing personal information and that are consistent with AS 45.48.500 - 45.48.590.

Sec. 45.48.540. Exemptions. (a) A business or a governmental agency is not required to comply with AS 45.48.500 - 45.48.530 if federal law requires that the business or governmental agency act in a way that does not comply with AS 45.48.500 - 45.48.530.

(b) A business is not required to comply with AS 45.48.500 - 45.48.530 if

(1) the business is subject to and in compliance with 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act); or

(2) the manner of the disposal of the records of the business is subject to 15 U.S.C. 1681w (Fair Credit Reporting Act) and the business is complying with 15 U.S.C. 1861w.

Sec. 45.48.550. Civil penalty. An individual, a business, or a governmental agency that knowingly violates AS 45.48.500 - 45.48.590 is liable to the state for a civil penalty not to exceed $3,000. In this section, "knowingly" has the meaning given in AS 11.81.900.

Sec. 45.48.560. Court action. An individual who is damaged by a violation of AS 45.48.500 - 45.48.590 may bring a civil action in court to enjoin further violations and to recover damages for the violation and court costs and attorney fees allowed by the rules of court.

Sec. 45.48.590. Definitions. In AS 45.48.500 - 45.48.590,

(1) "business" means a person who conducts business in the state or a person who conducts business and maintains or otherwise possesses personal information on state residents; in this paragraph,

(A) "conducts business" includes engaging in activities as a financial institution organized, chartered, or holding a license or authorization certificate under the laws of this state, another state, the United States, or another country;

(B) "possesses" includes possession for the purpose of
destruction;

(2) "dispose" means

(A) the discarding or abandonment of records containing personal information;

(B) the sale, donation, discarding, or transfer of

(i) any medium, including computer equipment or computer media, that contains records of personal information;

(ii) nonpaper media, other than that identified under (i) of this subparagraph, on which records of personal information are stored; and

(iii) equipment for nonpaper storage of information;

(3) "governmental agency" means a state or local governmental agency, except for an agency of the judicial branch;

(4) "personal information" means information that identifies, relates to, describes, or is capable of being associated with a particular individual, and includes a name, signature, social security number, fingerprint, photograph, computerized image, physical characteristic, physical description, address, telephone number, passport number, driver's license, state identification number, date of birth, medical information, bank account number, credit card number, debit card number, and financial information;

(5) "records" means material on which information that is written, drawn, spoken, visual, or electromagnetic is recorded or preserved, regardless of physical form or characteristics, but does not include publicly available directories containing names, addresses, telephone numbers, or other information an individual has voluntarily consented to have publicly disseminated or listed.


Sec. 45.48.600. Factual declaration of innocence after identity theft. (a) A victim of identity theft may petition the superior court for a determination that the victim is factually innocent of a crime if

(1) the perpetrator of the identity theft was arrested for, cited for, or
convicted of the crime using the victim's identity;
(2) a criminal complaint has been filed against the perpetrator in the
victim's name; or
(3) the victim's identity has been mistakenly associated with a record
of a conviction for a crime.

(b) In addition to a petition by a victim under (a) of this section, the
department may petition the superior court for a determination under (a) of this
section, or the superior court may, on its own motion, make a determination under (a)
of this section.

Sec. 45.48.610. Basis for determination. A determination of factual
innocence under AS 45.48.600 may be heard and made on declarations, affidavits,
police reports, or other material, relevant, and reliable information submitted by the
parties or ordered to be made a part of the record by the court.

Sec. 45.48.620. Criteria for determination; court order. (a) A court shall
determine that a victim is factually innocent of a crime if the court finds that the
petition or motion brought under AS 45.48.600 is meritorious and that
(1) there is not a reasonable cause to believe that the victim committed
the crime for which the perpetrator of the identity theft was arrested, cited, convicted,
or subject to a criminal complaint in the victim's name; or
(2) the victim's identity has been mistakenly associated with a record
of a conviction of a crime.

(b) If a court finds under this section that the victim is factually innocent of a
crime, the court shall issue an order indicating this determination of factual innocence
and shall provide the victim with a copy of the order.

Sec. 45.48.630. Orders regarding records. After a court issues an order under
AS 45.48.620, the court may order the name and associated personal information of
the victim that is contained in the files, indexes, and other records of the court that are
accessible by the public deleted, sealed, or labeled to show that the name and personal
information is impersonated and does not reflect the defendant's identity.

Sec. 45.48.640. Vacation of determination. A court that has issued an order
under AS 45.48.620 may, at any time, vacate the order if the petition or motion, or any
information submitted in support of the petition or motion, is found to contain a material misrepresentation or fraudulent material.

Sec. 45.48.650. Court form. The supreme court of the state may develop a form to be used for the order under AS 45.48.620.

Sec. 45.48.660. Data base. The department may establish and maintain a data base of individuals who have been victims of identity theft and who have received an order under AS 45.48.620. The department shall provide a victim or the victim's authorized representative access to a data base established under this section in order to establish that the individual has been a victim of identity theft. Access to the a data base established under this section is limited to criminal justice agencies, victims of identity theft, and individuals and agencies authorized by the victims.

Sec. 45.48.670. Toll-free telephone number. The department may establish and maintain a toll-free telephone number to provide access to information in a data base established under AS 45.48.660.

Sec. 45.48.680. Right to file police report regarding identity theft. (a) Even if the local law enforcement agency does not have jurisdiction over the theft of an individual's identity, if an individual who has learned or reasonably suspects the individual has been the victim of identity theft contacts, for the purpose of filing a complaint, a local law enforcement agency that has jurisdiction over the individual's actual place of residence, the local law enforcement agency shall make a report of the matter and provide the individual with a copy of the report. The local law enforcement agency may refer the matter to a law enforcement agency in a different jurisdiction.

(b) This section is not intended to interfere with the discretion of a local law enforcement agency to allocate its resources to the investigation of crime. A local law enforcement agency is not required to count a complaint filed under (a) of this section as an open case for purposes that include compiling statistics on its open cases.

Sec. 45.48.690. Definitions. In AS 45.48.600 - 45.48.690,

(1) "crime" has the meaning given in AS 11.81.900;
(2) "department" means the Department of Law;
(3) "identity theft" means the theft of the identity of an individual;
(4) "perpetrator" means the person who perpetrated the theft of an
individual's identity;

(5) "victim" means an individual who is the victim of identity theft.

Article 7. Consumer Credit Header Information.

Sec. 45.48.700. Consumer credit header information. (a) A consumer credit reporting agency may not furnish by a written, an oral, or another method of communication a consumer's credit header information to a person unless

(1) the person has a permissible purpose under 15 U.S.C. 1681b (Fair Credit Protection Act) to obtain the consumer's credit report; or

(2) the disclosure is part of a report prepared by the consumer credit reporting agency in response to a request by a person and the person submits the social security number as part of the request to the consumer credit reporting agency for the preparation of the report.

(b) In this section, "credit header information" means the social security number of a consumer, or a derivative of the social security number, the maiden name of the mother of the consumer, the birth date of the consumer, and other personally identifiable information of a consumer that is derived from nonpublic personal information, except the name, address, and telephone number of the consumer listed in a residential telephone directory available in the locality of the consumer.

Article 8. Truncation of Card Information.

Sec. 45.48.750. Truncation of card information. (a) A person who accepts credit cards or debit cards for the transaction of business may not print more than the last five digits of the card number or the expiration date on any receipt provided to the cardholder at the point of the sale or transaction.

(b) This section applies only to receipts that are electronically printed and does not apply to transactions in which the sole means of recording a credit card or debit card account number is by handwriting or by an imprint or copy of the card.

(c) An individual may bring a civil action in court against a person who knowingly violates this section and may recover actual damages or $5,000, whichever is greater, and court costs and attorney fees allowed by the rules of court.

(d) A person who knowingly violates this section is liable to the state for a civil penalty not to exceed $3,000.
(e) A person who knowingly violates this section is guilty of a class A misdemeanor.

(f) In this section,

(1) "credit" means the right granted by a creditor to a debtor to defer payment of debt, to incur debts and defer payment of the debt, or to purchase property or services and defer payment of the purchase; in this paragraph, "creditor" means a person who regularly extends, renews, or continues credit, a person who regularly arranges for the extension, renewal, or continuation of credit, or an assignee of an original creditor who participates in the decision to extend, renew, or continue credit;

(2) "credit card" means a card, plate, coupon book, or other credit device existing for the purpose of obtaining money, property, labor, or services on credit;

(3) "debit card" means a card issued by a financial institution to a consumer for use in initiating an electronic fund transfer from the account of the consumer at the financial institution for the purpose of transferring money between accounts or obtaining money, property, labor, or services;

(4) "knowingly" has the meaning given in AS 11.81.900.

Article 9. General Provisions.

Sec. 45.48.990. Definitions. In this chapter, unless the context indicates otherwise,

(1) "consumer" means an individual;

(2) "consumer credit reporting agency" means a person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing credit reports to third parties;

(3) "credit report" means a written, oral, or other communication of information by a consumer credit reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living if the communication is used or expected to be used or collected in whole or in part to serve as a factor in establishing the consumer's
eligibility for

(A) credit or insurance to be used primarily for personal, family, or household purposes;

(B) employment purposes; or

(C) any other permissible purpose authorized under section 15 U.S.C. 1681b;

(4) "information system" means any information system, including a system consisting of digital data bases and a system consisting of pieces of paper;

(5) "person" has the meaning given in AS 01.10.060 and includes a state or local governmental agency, except for an agency of the judicial branch;

(6) "state resident" means an individual who satisfies the residency requirements under AS 01.10.055.

Sec. 45.48.995. Short title. This chapter may be cited as the Alaska Personal Information Protection Act.

* Sec. 6. AS 45.50.471(b) is amended by adding a new paragraph to read:

(52) an information collector, other than a governmental agency, violating AS 45.48.010 - 45.48.090 (breach of security involving personal information); in this paragraph,

(A) "governmental agency" has the meaning given in AS 45.48.080;

(B) "information collector" has the meaning given in AS 45.48.090.

* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to read:

INDIRECT COURT RULE AMENDMENT. AS 45.48.640, enacted by sec. 5 of this Act, has the effect of changing Rule 60(b), Alaska Rules of Civil Procedure, by allowing a court to vacate an order on its own motion and at any time and by establishing a specific criterion for vacating the order under AS 45.48.640.

* Sec. 8. Sections 1 and 2 and AS 45.48.470, enacted by sec. 5 of this Act, take effect immediately under AS 01.10.070(c).