

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSSSSB 149(L&C)  
 (S) Publish Date: 4/22/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: LAW  
 Title "An Act relating to breaches of security involving RDU CIVIL  
personal information; and relating to consumer report..." Component Commercial & Fair Business  
 Sponsor Senator Guess  
 Requester Senate Labor and Commerce Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill adds a chapter to AS 45 that imposes disclosure requirements on businesses that collect and store personal information if there is a security breach of the businesses' information system. In the event of a security breach, notice of the breach must be made to consumers by either written or electronic means, with some exceptions if the notice will cost more than \$250,000, or the number of affected consumers exceeds 500,000. Consumers can bring a court action for violations of this law to recover damages and injunctive relief.

Article 2 adds a section that allows consumers to place a security freeze on his or her credit report. When a security freeze is in place, a credit reporting agency may not release information from the consumer's credit report to third parties unless requested by the consumer. There are several exemptions for access required to correct technical information, and for some agencies like the child

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 Agency Department of Law

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**ANALYSIS CONTINUATION**

support enforcement agency, Department of Health and Social Services, and Department of Revenue. Court action can be brought by consumers to enforce this law. Remedies include injunctive relief, damages (including lost wages and pain and suffering), and punitive damages up to \$5000.

Article 3 ads a section that requires credit reporting agencies to disclose information in a consumer's credit file upon request by the consumer. Article 4 ads a section that prohibits a person from disclosing the social security number of an individual, or requiring a SSN to access an internet site. Article 5 ads a section that requires a business to implement and monitor a system that requires the disposal of all records that contain personal information. Article 6 ads a section that allows a victim of identity theft to petition the superior court for a determination that the victim is factually innocent of the crime in instances where the perpetrator, using the victim's identify, committed a crime. Article 7 ads a section that prohibits disclosure of credit header information, and provides victims the right to file a police report regarding identify theft.

Each of the articles described in this bill are subject to enforcement by individual consumers by bringing court action for damages, injunctive relief, and attorneys' fees and costs. The state is also authorized to bring an action in some circumstances, but is not required to. Passage of this legislation will have no significant fiscal impact on the Department of Law.