
A BILL FOR AN ACT

RELATING TO PERSONAL INFORMATION.

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

1 **PART I**

2 SECTION 1. The purpose of this Act is to implement the
3 recommendations of the December 2007 report of the Hawaii
4 identity theft task force to protect the security of personal
5 information collected and maintained by state and county
6 government agencies.

7 **PART II**

8 SECTION 2. Chapter 487J, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 **§487J-A Policy and oversight responsibility.** (a) By
12 September 1, 2009, each government agency shall designate an
13 agency employee to have policy and oversight responsibilities
14 for the protection of personal information.

15 (b) The designated agency employee shall:

16 (1) Ensure and coordinate agency compliance with this
17 chapter, chapter 487N, and chapter 487R;



1 (2) Assist individuals who have identity theft and other
2 privacy-related concerns;

3 (3) Provide education and information to agency staff on
4 privacy and security issues;

5 (4) Coordinate with state, county, and federal law
6 enforcement agencies on identity theft investigations;
7 and

8 (5) Recommend policies and practices to protect individual
9 privacy rights relating to the individual's personal
10 information."

11 SECTION 3. Section 487J-1, Hawaii Revised Statutes, is
12 amended by adding a new definition to be appropriately inserted
13 and to read as follows:

14 "Personal information" has the same meaning as in section
15 487N-1."

16 SECTION 4. Chapter 487N, Hawaii Revised Statutes, is
17 amended by adding three new sections to be appropriately
18 designated and to read as follows:

19 "§487N-A Information privacy and security council;
20 established; duties; reports. (a) There is established an
21 information privacy and security council within the department
22 of accounting and general services for administrative purposes



1 only. Members of the council shall be appointed no later than
2 September 1, 2008, by the governor without regard to section
3 26-34 and shall be composed of the following representatives:

- 4 (1) Executive agencies that maintain extensive personal
5 information in the conduct of their duties, including
6 the department of education, the department of health,
7 the department of human resources development, the
8 department of human services, and the University of
9 Hawaii, to be selected by the governor;
- 10 (2) The legislature, to be selected by the president of
11 the senate and the speaker of the house of
12 representatives;
- 13 (3) The judiciary, to be selected by the administrator of
14 the courts; and
- 15 (4) The four counties, to be selected by the mayor of each
16 county; provided that the mayor of each county shall
17 determine the extent to which the county may or may
18 not participate.

19 The comptroller shall serve as chair of the council.

20 (b) By January 1, 2009, the council shall submit to the
21 legislature a report of the council's assessment and
22 recommendations on initiatives to mitigate the negative impacts



1 of identity theft incidents on individuals. The report shall
2 emphasize assessing the merits of identity theft passport and
3 identity theft registry initiatives that have been implemented
4 in other states.

5 (c) No later than June 30, 2009, the council shall develop
6 guidelines to be considered by government agencies in deciding
7 whether, how, and when a government agency shall inform affected
8 individuals of the loss, disclosure, or security breach of
9 personal information that can contribute to identify theft. The
10 guidelines shall provide a standardized, risk-based notification
11 process in the instance of a security breach.

12 (d) The council shall review the individual annual reports
13 submitted by government agencies, pursuant to section 487N-C and
14 submit a summary report to the legislature no later than twenty
15 days prior to the convening of the regular session of 2010 and
16 each year thereafter. The summary report shall include the
17 council's findings, significant trends, and recommendations to
18 protect personal information used by government agencies.

19 The initial report to the legislature also shall include
20 proposed legislation to amend section 487N-2 or any other law
21 that the council deems necessary to conform to the guidelines
22 established under subsection (c).



1 (e) The comptroller may establish support positions for
2 the information and communication services division, including
3 but not be limited to, legal support, information technology,
4 human resources and personnel, records management, and
5 administrative support.

6 **§487N-B Personal information security; best practices;**
7 **websites.** (a) The council shall identify best practices to
8 assist government agencies in improving security and privacy
9 programs relating to personal information. No later than
10 March 31, 2009, the council shall identify best practices
11 relating to:

- 12 (1) Automated tools;
13 (2) Training;
14 (3) Processes; and
15 (4) Applicable standards.

16 (b) No later than July 31, 2009, the best practices
17 identified by the council shall be posted on each government
18 agency's website in a manner that is readily accessible by
19 employees of the government agency.

20 **§487N-C Personal information system; government agencies;**
21 **annual report.** (a) Effective January 1, 2009, any government
22 agency that maintains one or more personal information systems



1 shall submit to the council an annual report on the existence
2 and character of each personal information system added or
3 eliminated since the agency's previous annual report. The
4 annual report shall be submitted no later than September 30 of
5 each year.

6 (b) The annual report shall include:

7 (1) The name or descriptive title of the personal
8 information system and its location;

9 (2) The nature and purpose of the personal information
10 system and the statutory or administrative authority
11 for its establishment;

12 (3) The categories of individuals on whom personal
13 information is maintained, including:

14 (A) The approximate number of all individuals on whom
15 personal information is maintained; and

16 (B) The categories of personal information generally
17 maintained in the system, including
18 identification of records that are:

19 (i) Stored in computer accessible records; or
20 (ii) Maintained manually;

21 (4) All confidentiality requirements relating to:



- 1 (A) Personal information systems or parts thereof
- 2 that are confidential pursuant to statute, rule,
- 3 or contractual obligation; and
- 4 (B) Personal information systems maintained on an
- 5 unrestricted basis;
- 6 (5) Detailed justification of the need for statutory or
- 7 regulatory authority to maintain any personal
- 8 information system or part thereof on a confidential
- 9 basis for all personal information systems or parts
- 10 thereof that are required by law or rule;
- 11 (6) The categories of sources of personal information;
- 12 (7) The agency's policies and practices regarding personal
- 13 information storage, duration of retention of
- 14 information, and elimination of information from the
- 15 system;
- 16 (8) The uses made by the agency of personal information
- 17 contained in any personal information system;
- 18 (9) The identity of agency personnel, by job
- 19 classification, and other agencies, persons, or
- 20 categories to whom disclosures of personal information
- 21 are made or to whom access to the personal information
- 22 system may be granted, including the purposes of



1 access and any restrictions on disclosure, access, and
2 redisclosure;

3 (10) A list identifying all forms used by the agency in the
4 collection of personal information; and

5 (11) The name, title, business address, and telephone
6 number of the individual immediately responsible for
7 complying with this section.

8 (c) For purposes of this section:

9 "Personal information system" means any manual or automated
10 recordkeeping process that contains personal information and the
11 name, personal number, or other identifying particulars of a
12 data subject.

13 (d) Notwithstanding any other law to the contrary, this
14 report shall be confidential and not disclosed publicly in any
15 form or forum."

16 SECTION 5. Section 487N-1, Hawaii Revised Statutes, is
17 amended by adding a new definition to be appropriately inserted
18 and to read as follows:

19 "Council" means the information privacy and security
20 council established under section 487N-A."



1 **PART III**

2 SECTION 6. Act 137, Session Laws of Hawaii 2006, as
3 amended by Act 183, Session Laws of Hawaii 2007, section 11, is
4 amended by amending section 3 to read as follows:

5 "SECTION 3. This Act shall take effect on July 1, [~~2008~~]
6 2009."

7 **PART IV**

8 SECTION 7. Practices and procedures relating to security
9 of laptops, removable data storage devices, and communication
10 devices. By December 31, 2008, the information privacy and
11 security council established under section 487N-A, Hawaii
12 Revised Statutes, in consultation with the information and
13 communication services division of the department of accounting
14 and general services, and the information technology divisions
15 of the respective counties, shall develop recommended practices
16 and procedures to provide guidance to information technology
17 managers in all government agencies relating to the security of
18 laptops, removable data storage devices, and communication
19 devices used to remotely access applications installed on state
20 or county networks. The council shall include recommendations
21 on best practices and standards for protecting personal



1 information that may be used with, stored on, or transmitted by
2 the foregoing devices.

3 **PART V**

4 SECTION 8. Third party personal information use
5 contractual provisions. (a) Effective September 1, 2008, any
6 government agency that:

- 7 (1) Contracts with third parties to provide support
8 services on behalf of the agency that requires access
9 to personal information; or
- 10 (2) Is requested to provide access to social security
11 numbers and other personal information by a credit
12 bureau or similar financial reporting organization,
13 shall include, in all new or renewed contracts, provisions to
14 protect the use and disclosure of personal information
15 administered by the agency. In developing these provisions, the
16 agency shall take into consideration similar restrictive
17 provisions, included in the Fair Credit Reporting Act (15 U.S.C.
18 section 1681f and 15 U.S.C. section 1681 et seq.) and shall
19 attempt to make the agency's provisions similar to those in the
20 Fair Credit Reporting Act. Consumer Reporting Agencies, as
21 defined by 15 U.S.C. section 1681a(f) that operate under and are
22 in compliance with 15 U.S.C. section 1681 et seq, shall be



1 deemed to be in compliance with Hawaii law and shall be entitled
2 to a rebuttable presumption of compliance.

3 (b) Provisions relating to personal information protection
4 in contractual agreements with third parties shall require
5 consistent with subsection (a)(2):

6 (1) Implementation of technological safeguards acceptable
7 to the government agency to reduce exposure to
8 unauthorized access to personal information;

9 (2) Mandatory training on security awareness topics
10 relating to personal information protection for
11 employees of the third party;

12 (3) Confidentiality agreements to be signed by third party
13 employees acknowledging that:

14 (A) The personal information collected, used, or
15 maintained by the government agency is
16 confidential;

17 (B) Access to the personal information is restricted
18 to the minimum necessary; and

19 (C) Use of the personal information is restricted to
20 uses consistent with the services subject to the
21 contractual agreement;



1 (4) Clarification that no personal information shall be
2 retained or used for a purpose other than that for
3 which it was originally collected and all copies of
4 personal information records provided by the
5 government agency to the third party shall be
6 destroyed by the third party at the conclusion of the
7 contract;

8 (5) Prompt and complete disclosure of security breaches;
9 and

10 (6) A complete log of disclosures made of the government
11 agency personal information.

12 As used in this section, "technological safeguards" means
13 the technology and the policy and procedures for use of the
14 technology to protect and control access to personal
15 information.

16 **PART VI**

17 SECTION 9. (a) Protection of personal information by
18 government agencies. No later than September 1, 2008, all
19 government agencies that collect, maintain, or disseminate
20 documents containing personal information that are subject to
21 disclosure pursuant to section 92F-12, Hawaii Revised Statutes,
22 shall develop and implement a plan to protect and redact



1 personal information, specifically social security numbers,
2 contained in any existing hardcopy documents prior to making the
3 documents available for public inspection. Consumer reporting
4 agencies, as defined by 15 U.S.C. section 1681a(f), which
5 operate under 15 U.S.C. section 1681 et seq., shall continue to
6 have access to personal information, including the nine digit
7 social security numbers as the legislature finds that such
8 access is necessary for criminal background checks, credit
9 reporting for financial transactions and other similar purposes.
10 Agency plans shall be consistent with these purposes.

11 (b) Written report. Any government agency that fails to
12 develop and implement a plan to protect and redact personal
13 information by September 1, 2008, shall submit to the
14 legislature by September 30, 2008, a written report that details
15 information relating to any documents that contain social
16 security numbers that were disclosed pursuant to section 92F-12,
17 Hawaii Revised Statutes. The written report shall identify the
18 document disclosed, including the date, nature, and purpose of
19 each disclosure and the name and address of the person to whom
20 the disclosure was made. The written report shall not include
21 any disclosure made to the individual to whom the personal
22 information refers.



1 SECTION 10. Budgets. The proposed budget for the
2 development and implementation of the plan to protect and redact
3 personal information in existing, hardcopy records shall be
4 prepared by December 31, 2008, by each government agency, for
5 submittal as part of the respective executive, judiciary, and
6 legislative budgets.

7 **PART VII**

8 SECTION 11. Plan to reduce collection and use of social
9 security numbers. No later than December 1, 2008, all
10 government agencies that collect, maintain, or disseminate
11 documents containing personal information that are subject to
12 disclosure pursuant to section 92F-12, Hawaii Revised Statutes,
13 shall develop a written plan to eliminate the unnecessary
14 collection and use of social security numbers. In developing
15 such plans, the agencies shall consider that consumer reporting
16 agencies, as defined by 15 U.S.C. section 1681a(f), which
17 operate under 15 U.S.C. section 1681 et seq., shall continue to
18 have access to personal information, including the nine digit
19 social security numbers as the legislature finds that such
20 access is necessary for criminal background checks, credit
21 reporting for financial transactions and other similar purposes.
22 Agency plans shall be consistent with these purposes.



- 1 Each plan shall include provisions to require:
- 2 (1) The collection and use of social security numbers only
3 when required by federal or state law, or when the
4 social security number is the only identifier
5 currently available;
- 6 (2) When required by federal or state law to collect
7 social security numbers, or when the social security
8 number is the only identifier currently available, the
9 agency to proceed as reasonably necessary for the
10 proper administration of lawful agency business; and
- 11 (3) The development of an alternative unique identifier
12 number to replace current discretionary use of social
13 security numbers.

14 Agencies shall submit their plan for review and comment to
15 the information privacy and security council established by
16 section 487N-A, Hawaii Revised Statutes, no later than
17 December 1, 2008.

18 SECTION 12. Funding request. Each government agency shall
19 submit to the 2009 regular session of the legislature a funding
20 request for fiscal year 2009-2010 for an amount necessary to
21 implement the agency's plan to eliminate the unnecessary
22 collection or use of social security numbers.



1 **PART VIII**

2 SECTION 13. (a) Guidance on recommended human resources
3 practices to protect personal information. No later than
4 January 1, 2010, the lead state and county government agencies
5 that have primary responsibility for human resource functions
6 shall develop and distribute to the appropriate government
7 agencies written guidelines detailing recommended practices to
8 minimize unauthorized access to personal information and
9 personal information systems relating to personnel recruitment,
10 background checks, testing, employee retirement and health
11 benefits, time reporting and payroll issues. The recommended
12 practices shall address, at a minimum:

13 (1) Physical safeguards for paper and electronic records
14 stored onsite and offsite, as well as for removable
15 storage media that includes laptop computers, USB
16 storage devices, compact discs, and tapes;

17 (2) Administrative safeguards to control and monitor
18 access to human resources personal information
19 systems; and

20 (3) Technological safeguards to ensure the confidentiality
21 and integrity of information transmitted over computer



1 networks, laptop computers, and removable storage
2 devices.

3 (b) Definitions. For the purpose of this part:

4 "Administrative safeguards" means administrative actions,
5 policies, and procedures to manage the selection, development,
6 implementation, and maintenance of security measures to protect
7 personal information and to manage the conduct of the workforce
8 in relation to the protection of personal information.

9 "Physical safeguards" means physical measures, policies,
10 and procedures to protect personal information systems and
11 related buildings and equipment from natural and environmental
12 hazards and unauthorized intrusion.

13 **PART IX**

14 SECTION 14. (a) Security breach notification policy. No
15 later than September 1, 2009, all government agencies shall
16 develop a written agency policy relating to notification of any
17 security breach of personal information. The policy shall
18 ensure appropriate safeguards to protect personal information
19 and shall apply to electronic system and paper document records
20 that contain personal information.

21 The security breach notification policy for government
22 agencies shall consider guidelines established by the



1 information privacy and security council under section 487N-A
2 Hawaii Revised Statutes, and shall include provisions to
3 determine:

- 4 (1) Whether security breach notification is required;
- 5 (2) The timeliness of the notification;
- 6 (3) The source of the notification;
- 7 (4) The contents of the notification;
- 8 (5) The manner in which notification shall be provided;
- 9 and
- 10 (6) Recipients of notification.

11 (b) Security breach notification policy review and
12 amendment. No later than September 1, 2009, all government
13 agencies shall submit their security breach notification policy
14 to the attorney general, appropriate corporation counsel, or
15 county attorney for review and comment. A government agency's
16 security breach notification policy shall be promptly amended to
17 incorporate revisions recommended by the attorney general,
18 corporation counsel, or county attorney after review of the
19 security breach notification policy.

20 Beginning December 31, 2010, government agencies shall
21 review their security breach notification policies by
22 December 31 annually and make amendments as necessary.



1 Information relating to a government agency's security breach
2 notification policy, including any amendments, shall be
3 disseminated to the appropriate employees in each government
4 agency.

5 **PART X**

6 SECTION 15. Definitions. For purposes of this Act:

7 "Government agency" has the same meaning as in section
8 487N-1, Hawaii Revised Statutes.

9 "Personal information" has the same meaning as in section
10 487N-1, Hawaii Revised Statutes.

11 "Personal information system" means any manual or automated
12 recordkeeping process that contains personal information and the
13 name, personal number, or other identifying particulars of a
14 data subject.

15 "Records" has the same meaning as in section 487N-1, Hawaii
16 Revised Statutes.

17 "Security breach" has the same meaning as in section
18 487N-1, Hawaii Revised Statutes.

19 SECTION 16. In codifying the new sections added by
20 sections 2 and 4 of this Act, the revisor of statutes shall
21 substitute appropriate section numbers for the letters used in
22 designating the new sections in this Act.



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PART XI

SECTION 17. (a) There is established no later than July 1, 2008, within the office of the auditor, the identity theft task force working group, to:

- (1) Provide continuity from the work of the identity theft task force, established pursuant to Act 65, Session Laws of Hawaii 2005, as amended by Act 140, Session Laws of Hawaii 2006; and
- (2) Assist in the transition and development of recommendations and best practices related to personal information.

(b) The working group shall include five members of the identity theft task force, the auditor, and the consultant retained by the auditor for the work of the identity theft task force.

(3) The identity theft task force working group shall cease to exist on June 30, 2009.

SECTION 18. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 19. This Act shall take effect on July 1, 2008; provided that section 6 shall take effect on June 30, 2008.



S.B. NO. 2803
S.D. 1
H.D. 1
C.D. 1

Report Title:

Identity Theft; Personal Information; Government Agencies

Description:

Implements recommendations of the 12/2007 report of the Hawaii identity theft task force to protect the security of personal information collected and maintained by state and county government. (CD1)

