



Senate

General Assembly

File No. 189

January Session, 2009

Senate Bill No. 873

Senate, March 25, 2009

The Committee on Banks reported through SEN. DUFF of the 25th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING STATE CHARTERED BANKS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-471 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) Any person in possession of personal information of another
4 person shall safeguard the data, computer files and documents
5 containing the information from misuse by third parties, and shall
6 destroy, erase or make unreadable such data, computer files and
7 documents prior to disposal.

8 (b) Any person who collects Social Security numbers in the course of
9 business shall create a privacy protection policy which shall be
10 published or publicly displayed. For purposes of this subsection,
11 "publicly displayed" includes, but is not limited to, posting on an
12 Internet web page. Such policy shall: (1) Protect the confidentiality of
13 Social Security numbers, (2) prohibit unlawful disclosure of Social
14 Security numbers, and (3) limit access to Social Security numbers.

15 (c) As used in this section, "personal information" means
 16 information capable of being associated with a particular individual
 17 through one or more identifiers, including, but not limited to, a Social
 18 Security number, a driver's license number, a state identification card
 19 number, an account number, a credit or debit card number, a passport
 20 number, an alien registration number or a health insurance
 21 identification number, and does not include publicly available
 22 information that is lawfully made available to the general public from
 23 federal, state or local government records or widely distributed media.

24 (d) For persons who hold a license, registration or certificate issued
 25 by, or a charter subject to the supervision of, a state agency other than
 26 the Department of Consumer Protection, this section shall be
 27 enforceable only by such other state agency pursuant to such other
 28 state agency's existing statutory and regulatory authority.

29 (e) Any person or entity that violates the provisions of this section
 30 shall be subject to a civil penalty of five hundred dollars for each
 31 violation, provided such civil penalty shall not exceed five hundred
 32 thousand dollars for any single event. It shall not be a violation of this
 33 section if such violation was unintentional.

34 (f) The provisions of this section shall not apply to (1) any agency or
 35 political subdivision of the state, or (2) financial institutions that have
 36 adopted safeguards that comply with the standards established
 37 pursuant to Section 501(b) of the Gramm-Leach-Bliley Act of 1999, 15
 38 USC 6801.

39 (g) Any civil penalties received pursuant to this section shall be
 40 deposited into the privacy protection guaranty and enforcement
 41 account established pursuant to section 19 of substitute senate bill 30 of
 42 the February 2008, regular session*.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2009	42-471

BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Banking Dept.	BF - None	None	None

Note: BF=Banking Fund

Municipal Impact: None

Explanation

The bill is clarifying in nature and has no fiscal impact.

OLR Bill Analysis**SB 873*****AN ACT CONCERNING STATE CHARTERED BANKS.*****SUMMARY:**

By law, anyone possessing personal information about another person must safeguard it and the computer files and documents that contain it. "Personal information" is information that can be associated with an individual through an identifier like a Social Security number. The law gives each state agency the authority to enforce this provision against its licensees, registrants, or certificate holders. This bill also gives agencies the authority to enforce the law against holders of charters subject to its supervision, thereby clarifying that the Department of Banking can enforce the provision against banks.

PA 08-167 exempts state agencies and political subdivisions from the duty to safeguard personal information. The bill extends this exemption to financial institutions that have adopted safeguards that comply with the federal Gramm-Leach-Bliley Act.

EFFECTIVE DATE: October 1, 2009

BACKGROUND***Gramm-Leach-Bliley Act***

The federal Gramm-Leach-Bliley Act of 1999 applies to financial institutions and how they handle nonpublic personal information. It requires federal regulators to establish comprehensive standards for ensuring the security and confidentiality of consumers' personal financial information.

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 16 Nay 0 (03/10/2009)