

HB 4147 -1 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/7

WHAT THE MEASURE DOES:

Prohibits consumer reporting agency (CRA) from charging consumer a fee to freeze or unfreeze access to consumer's information. Requires persons who own, license, possess or has access to consumer's personal information to notify financial institutions and merchant services providers when data security is breached. Requires financial institutions and merchant services providers that discover or knows of data breach of another person to notify the other person. Requires notice of data breach be made within 45 days of discovery or receiving notification of breach. Prohibits person providing free credit monitoring that is connected to a data breach from offering to sell additional services or from limiting the free service to those who purchase additional services. Modifies the standards for safeguarding personal information. Provides person with authority to initiate civil action on behalf of the State of Oregon for violations of identity theft protection statutes. Takes effect 91 days following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces original measure.

Prohibits consumer reporting agency (CRA) from charging consumer a fee to freeze or unfreeze access to consumer's information unless CRA placed freeze on account within previous 12 months and the consumer did not request the freeze in response to a data breach.

Requires persons who own, license, possess or have access to consumer's personal information to notify merchant services providers when data security is breached. Requires financial institutions that discover or knows of a data breach involving financial account information to notify merchant services providers that processed transactions subject to the breach. Requires merchant services providers that discover or know of a data breach involving financial account information to notify a financial institution for which the financial account information would allow access to the consumer's account. Requires notice of data breach be made within 45 days of discovery or receiving notification of breach.

Prohibits person providing free credit monitoring that is connected to a data breach from offering to sell additional services at the time the free offer is made or during a six-month period following the start of the free service. Prohibits person providing free credit monitoring that is connected to a data breach from limiting the free service to those who purchase additional services.

Modifies the standards for safeguarding personal information. Extends duties to safeguard personal information to those who have control over or access to personal information.

Provides right of private action under Unlawful Trade Practices Act for violations of identity theft protection statutes.

Expands definition of personal information and establishes definitions for financial account information and merchant services provider..

Takes effect 91 days following adjournment sine die.

BACKGROUND:

HB 4147 -1 STAFF MEASURE SUMMARY

Oregon enacted identity theft prevention laws in 2007. The statutes require notice to affected parties when a data breach occurs. Personal information must be safeguarded as required by law and consumers have the right to protect their information by requesting the consumer reporting agencies freeze access to their consumer report. Consumer reporting agencies are limited to charging no more than \$10 for placing or removing a security freeze; however, a victim of identity theft may not be charged a fee.