AMENDED IN SENATE APRIL 9, 2014

SENATE BILL No. 893

Introduced by Senator Hill

January 13, 2014

An act to *amend Sections 1798.29 and 1798.82 of, and to* add Title 1.81.23 (commencing with Section 1798.90.5) to Part 4 of Division 3 ~~of~~ *of,* the Civil Code, relating to personal information.

LEGISLATIVE COUNSEL'S DIGEST

SB 893, as amended, Hill. Automated license plate recognition systems: use of data.

~~Existing~~

(1) Existing law authorizes the Department of the California Highway Patrol to retain license plate data captured by license plate recognition (LPR) technology, also referred to as an automated license plate recognition (ALPR) system, for not more than 60 days unless the data is being used as evidence or for the investigation of felonies. Existing law prohibits the department from selling the data or from making the data available to an agency that is not a law enforcement agency or an individual that is not a law enforcement officer.

Existing law authorizes the department to use LPR data for the purpose of locating vehicles or persons reasonably suspected of being involved in the commission of a public offense, and requires the department to monitor the internal use of the data to prevent unauthorized use and to submit to the Legislature, as a part of the annual automobile theft report, information on the department's LPR practices and usage.

This bill would ~~impose similar restrictions on a person, as defined, that operates an ALPR system by prohibiting the sale of ALPR data, and otherwise prohibiting a person from sharing the data, except with~~

~~a law enforcement agency or officer, as specified. This bill would provide that ALPR data retained for more than 5 years may be accessed only for law enforcement purposes, pursuant to a warrant or other court order. It would~~ *impose specified requirements on an "ALPR operator," as defined, including, among others, complying with all applicable statutory and constitutional requirements and the provisions of the bill, ensuring that the information or data the ALPR operator collects is protected with certain safeguards, and to implement and maintain specified security procedures and a usage and privacy policy with respect to that information or data.*

This bill would also prohibit an ALPR operator from engaging in certain acts, including, among others, collecting any information or data other than the license plate number, the date and time the information or data is collected, and the location coordinates where the information or data is collected. The bill would further prohibit a public agency from disclosing, distributing, making available, selling, accessing, or otherwise providing that information or data, to any private entity or individual unless authorized by a court order, or as part of civil or criminal discovery. Unless otherwise authorized, the bill would prohibit a person authorized to access or distribute that information or data from further disclosing, distributing, making available, selling, accessing, or otherwise providing that information or data to another person for any purpose. The bill would require an ALPR operator that accesses or provides access to information or data collected through the use or operation of an ALPR system to maintain a specified record of that access.

The bill would, in addition to any other sanctions, penalties, or remedies provided by law, authorize an individual ~~whose information is sold or disclosed in violation of these provisions~~ to bring a civil action ~~and would entitle the individual to recover any and all consequential and incidental damages, including all costs and attorney's fees.~~ *in any court of competent jurisdiction against a person who knowingly obtains, discloses, or uses information or data collected through the use of an ALPR system for a purpose not authorized by the bill, and would authorize a court to award specified remedies.*

(2) Existing law requires any agency, and any person or business conducting business in California, that owns or licenses computerized data that includes personal information, as defined, to disclose in specified ways, any breach of the security of the system or data, as defined, following discovery or notification of the security breach, to

any California resident whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. Existing law defines "personal information" for these purposes to include an individual's first name and last name, or first initial and last name, in combination with one or more designated data elements relating to, among other things, social security numbers, driver's license numbers, financial accounts, and medical information.

This bill would include information or data collected through the use or operation of an automated license plate recognition system, when that information or data is not encrypted, in the definition of "personal information" discussed above. By creating new duties for local officials, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: ~~no~~ *yes*.

The people of the State of California do enact as follows:

SECTION 1. Section 1798.29 of the Civil Code is amended to read:

1798.29. (a) Any agency that owns or licenses computerized data that includes personal information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.

(b) Any agency that maintains computerized data that includes personal information that the agency does not own shall notify the

owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

(c) The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made after the law enforcement agency determines that it will not compromise the investigation.

(d) Any agency that is required to issue a security breach notification pursuant to this section shall meet all of the following requirements:

(1) The security breach notification shall be written in plain language.

(2) The security breach notification shall include, at a minimum, the following information:

(A) The name and contact information of the reporting agency subject to this section.

(B) A list of the types of personal information that were or are reasonably believed to have been the subject of a breach.

(C) If the information is possible to determine at the time the notice is provided, then any of the following: (i) the date of the breach, (ii) the estimated date of the breach, or (iii) the date range within which the breach occurred. The notification shall also include the date of the notice.

(D) Whether the notification was delayed as a result of a law enforcement investigation, if that information is possible to determine at the time the notice is provided.

(E) A general description of the breach incident, if that information is possible to determine at the time the notice is provided.

(F) The toll-free telephone numbers and addresses of the major credit reporting agencies, if the breach exposed a social security number or a driver’s license or California identification card number.

(3) At the discretion of the agency, the security breach notification may also include any of the following:

(A) Information about what the agency has done to protect individuals whose information has been breached.

(B) Advice on steps that the person whose information has been breached may take to protect himself or herself.

(4) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (g) for an online account, and no other personal information defined in paragraph (1) of subdivision (g), the agency may comply with this section by providing the security breach notification in electronic or other form that directs the person whose personal information has been breached to promptly change his or her password and security question or answer, as applicable, or to take other steps appropriate to protect the online account with the agency and all other online accounts for which the person uses the same user name or email address and password or security question or answer.

(5) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (g) for login credentials of an email account furnished by the agency, the agency shall not comply with this section by providing the security breach notification to that email address, but may, instead, comply with this section by providing notice by another method described in subdivision (i) or by clear and conspicuous notice delivered to the resident online when the resident is connected to the online account from an Internet Protocol address or online location from which the agency knows the resident customarily accesses the account.

(e) Any agency that is required to issue a security breach notification pursuant to this section to more than 500 California residents as a result of a single breach of the security system shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General. A single sample copy of a security breach notification shall not be deemed to be within subdivision (f) of Section 6254 of the Government Code.

(f) For purposes of this section, “breach of the security of the system” means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the agency. Good faith acquisition of personal information by an employee or agent of the agency for the purposes of the agency is not a breach of the security of the

system, provided that the personal information is not used or subject to further unauthorized disclosure.

(g) For purposes of this section, "personal information" means ~~either~~ *any* of the following:

(1) An individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:

(A) Social security number.

(B) Driver's license number or California identification card number.

(C) Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

(D) Medical information.

(E) Health insurance information.

(2) A user name or email address, in combination with a password or security question and answer that would permit access to an online account.

(3) Information or data collected through the use or operation of an automated license plate recognition system, as defined in Section 1798.90.5, when that information or data is not encrypted.

(h) (1) For purposes of this section, "personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(2) For purposes of this section, "medical information" means any information regarding an individual's medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional.

(3) For purposes of this section, "health insurance information" means an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records.

(i) For purposes of this section, "notice" may be provided by one of the following methods:

(1) Written notice.

(2) Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in Section 7001 of Title 15 of the United States Code.

(3) Substitute notice, if the agency demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars ($250,000), or that the affected class of subject persons to be notified exceeds 500,000, or the agency does not have sufficient contact information. Substitute notice shall consist of all of the following:

(A) Email notice when the agency has an email address for the subject persons.

(B) Conspicuous posting of the notice on the agency's Internet Web site page, if the agency maintains one.

(C) Notification to major statewide media and the Office of Information Security within the Department of Technology.

(j) Notwithstanding subdivision (i), an agency that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this part shall be deemed to be in compliance with the notification requirements of this section if it notifies subject persons in accordance with its policies in the event of a breach of security of the system.

(k) Notwithstanding the exception specified in paragraph (4) of subdivision (b) of Section 1798.3, for purposes of this section, "agency" includes a local agency, as defined in subdivision (a) of Section 6252 of the Government Code.

SEC. 2. Section 1798.82 of the Civil Code is amended to read:

1798.82. (a) Any person or business that conducts business in California, and that owns or licenses computerized data that includes personal information, shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.

(b) Any person or business that maintains computerized data that includes personal information that the person or business does not own shall notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

(c) The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made after the law enforcement agency determines that it will not compromise the investigation.

(d) Any person or business that is required to issue a security breach notification pursuant to this section shall meet all of the following requirements:

(1) The security breach notification shall be written in plain language.

(2) The security breach notification shall include, at a minimum, the following information:

(A) The name and contact information of the reporting person or business subject to this section.

(B) A list of the types of personal information that were or are reasonably believed to have been the subject of a breach.

(C) If the information is possible to determine at the time the notice is provided, then any of the following: (i) the date of the breach, (ii) the estimated date of the breach, or (iii) the date range within which the breach occurred. The notification shall also include the date of the notice.

(D) Whether notification was delayed as a result of a law enforcement investigation, if that information is possible to determine at the time the notice is provided.

(E) A general description of the breach incident, if that information is possible to determine at the time the notice is provided.

(F) The toll-free telephone numbers and addresses of the major credit reporting agencies if the breach exposed a social security number or a driver’s license or California identification card number.

(3) At the discretion of the person or business, the security breach notification may also include any of the following:

(A) Information about what the person or business has done to protect individuals whose information has been breached.

(B) Advice on steps that the person whose information has been breached may take to protect himself or herself.

(4) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (h) for an online account, and no other personal information defined in paragraph (1) of subdivision (h), the person or business may comply with this section by providing the security breach notification in electronic or other form that directs the person whose personal information has been breached promptly to change his or her password and security question or answer, as applicable, or to take other steps appropriate to protect the online account with the person or business and all other online accounts for which the person whose personal information has been breached uses the same user name or email address and password or security question or answer.

(5) In the case of a breach of the security of the system involving personal information defined in paragraph (2) of subdivision (h) for login credentials of an email account furnished by the person or business, the person or business shall not comply with this section by providing the security breach notification to that email address, but may, instead, comply with this section by providing notice by another method described in subdivision (j) or by clear and conspicuous notice delivered to the resident online when the resident is connected to the online account from an Internet Protocol address or online location from which the person or business knows the resident customarily accesses the account.

(e) A covered entity under the federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.) will be deemed to have complied with the notice requirements in subdivision (d) if it has complied completely with Section 13402(f) of the federal Health Information Technology for Economic and Clinical Health Act (Public Law 111-5). However, nothing in this subdivision shall be construed to exempt a covered entity from any other provision of this section.

(f) Any person or business that is required to issue a security breach notification pursuant to this section to more than 500 California residents as a result of a single breach of the security system shall electronically submit a single sample copy of that

security breach notification, excluding any personally identifiable information, to the Attorney General. A single sample copy of a security breach notification shall not be deemed to be within subdivision (f) of Section 6254 of the Government Code.

(g) For purposes of this section, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the person or business. Good faith acquisition of personal information by an employee or agent of the person or business for the purposes of the person or business is not a breach of the security of the system, provided that the personal information is not used or subject to further unauthorized disclosure.

(h) For purposes of this section, "personal information" means ~~either~~ *any* of the following:

(1) An individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:

(A) Social security number.

(B) Driver's license number or California identification card number.

(C) Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

(D) Medical information.

(E) Health insurance information.

(2) A user name or email address, in combination with a password or security question and answer that would permit access to an online account.

(3) Information or data collected through the use or operation of an automated license plate recognition system, as defined in Section 1798.90.5, when that information or data is not encrypted.

(i) (1) For purposes of this section, "personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(2) For purposes of this section, "medical information" means any information regarding an individual's medical history, mental

or physical condition, or medical treatment or diagnosis by a health care professional.

(3) For purposes of this section, "health insurance information" means an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records.

(j) For purposes of this section, "notice" may be provided by one of the following methods:

(1) Written notice.

(2) Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in Section 7001 of Title 15 of the United States Code.

(3) Substitute notice, if the person or business demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars ($250,000), or that the affected class of subject persons to be notified exceeds 500,000, or the person or business does not have sufficient contact information. Substitute notice shall consist of all of the following:

(A) Email notice when the person or business has an email address for the subject persons.

(B) Conspicuous posting of the notice on the Internet Web site page of the person or business, if the person or business maintains one.

(C) Notification to major statewide media.

(k) Notwithstanding subdivision (j), a person or business that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this part, shall be deemed to be in compliance with the notification requirements of this section if the person or business notifies subject persons in accordance with its policies in the event of a breach of security of the system.

~~SECTION 1.~~

SEC. 3. Title 1.81.23 (commencing with Section 1798.90.5) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 1.81.23. ~~CONFIDENTIALITY~~ *COLLECTION* OF LICENSE PLATE INFORMATION

1798.90.5. ~~(a)~~ The following definitions shall apply for purposes of this title:

(a) "ALPR operator" means a person that uses or operates an ALPR system, or accesses, stores, or maintains information or data collected through the use or operation of an ALPR system.

~~(1)~~

(b) "Automated license plate recognition system" or "ALPR system" means a system of one or more mobile or fixed ~~high-speed~~ cameras combined with computer algorithms to *read and* convert images of registration plates *and the characters they contain* into computer-readable data.

~~(2)~~

(c) "Person" includes a law enforcement agency, government agency, private entity, or individual.

~~(b) A person that operates an ALPR system shall not sell ALPR data for any purpose.~~

~~(c) A person that operates an ALPR system shall not make ALPR data available to an agency that is not a law enforcement agency or an individual who is not a law enforcement officer. The data shall not be shared for any purpose other than providing for public safety, conducting criminal investigations, and ensuring compliance with the law.~~

~~(d) ALPR data that has been retained for more than five years may be accessed only for law enforcement purposes, pursuant to a warrant or other court order.~~

(d) "Public agency" means and includes every state agency and every local agency.

~~1798.90.51. An individual whose information is sold or disclosed in violation of this title may bring a civil action and shall be entitled to recover any and all consequential and incidental damages, including all costs and attorney's fees.~~

1798.90.51. An ALPR operator shall do all of the following:

(a) Comply with all applicable statutory and constitutional requirements and this title.

(b) (1) Ensure that the information or data collected through the use or operation of the ALPR system is protected with

reasonable operational, administrative, technical, and physical safeguards to ensure its confidentiality and integrity.

(2) Implement and maintain reasonable security procedures and practices appropriate for the nature of the information or data collected, in order to protect the information or data from unauthorized access, destruction, use, modification, or disclosure, and to ensure compliance with this title.

(c) Implement and maintain a usage and privacy policy in order to ensure that the information or data collected through the use or operation of the ALPR system is consistent with respect for individuals' privacy and civil liberties. The usage and privacy policy shall be available in writing, and, if the ALPR operator has an Internet Web site, the usage and privacy policy shall be posted conspicuously on that Internet Web site.

1798.90.52. An ALPR operator shall not do either of the following:

(a) Collect any information or data other than the license plate number, the date and time the information or data is collected, and the location coordinates where the information or data is collected. This information or data shall not be collected if the license plate number is not in public view.

(b) (1) Trespass or otherwise enter upon private property to collect information or data for commercial purposes through the use or operation of an ALPR system without first obtaining written consent from the owner of the private property, or the owner's designated agent.

(2) This subdivision shall only apply if the ALPR operator is a private entity that operates an ALPR system for commercial purposes.

1798.90.53. (a) A public agency shall not disclose, distribute, make available, sell, access, or otherwise provide for another purpose, information or data collected through the use or operation of an ALPR system to any private entity or individual unless authorized by a court order, or as part of civil or criminal discovery.

(b) Unless authorized by this title or another law, a person authorized to access or distribute information or data collected through the use or operation of an ALPR system shall not further disclose, distribute, make available, sell, access, or otherwise provide that information or data to another person for any purpose.

(c) If an ALPR operator accesses or provides access to information or data collected through the use or operation of an ALPR system, the ALPR operator shall maintain a record of that access. At a minimum, the record shall include, but not be limited to, all of the following:

(1) The date and time the information or data is accessed.

(2) The person who accesses the information or data.

(3) The authorized purpose for accessing the information or data.

1798.90.54. Information or data collected through the use or operation of an ALPR system shall not be the sole basis for establishing probable cause to obtain a search or arrest warrant.

1798.90.55. (a) In addition to any other sanctions, penalties, or remedies provided by law, an individual may bring a civil action in any court of competent jurisdiction against a person who knowingly obtains, discloses, or uses information or data collected through the use of an ALPR system for a purpose not authorized by this title.

(b) The court may award all of the following:

(1) Actual damages, but not less than liquidated damages in the amount of two thousand five hundred dollars ($2,500).

(2) Punitive damages upon proof of willful or reckless disregard of the law.

(3) Reasonable attorney's fees and other litigation costs reasonably incurred.

(4) Other preliminary and equitable relief as the court determines to be appropriate.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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