

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred Senate Bill No. 269 entitled “An act relating to business
4 consumer protection and data security breaches” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking all
6 after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 9 V.S.A. § 2435(b)(4) is amended to read:

8 (4)(A) The notice to a consumer required by this subsection shall be
9 delayed upon request of a law enforcement agency. A law enforcement agency
10 may request the delay if it believes that notification may impede a law
11 enforcement investigation, or a national or Homeland Security investigation or
12 jeopardize public safety or national or Homeland Security interests. In the
13 event law enforcement makes the request for a delay in a manner other than in
14 writing, the data collector shall document such request contemporaneously in
15 writing, including the name of the law enforcement officer making the request
16 and the officer's law enforcement agency engaged in the investigation. A law
17 enforcement agency shall promptly notify the data collector in writing when
18 the law enforcement agency no longer believes that notification may impede a
19 law enforcement investigation, or a national or Homeland Security
20 investigation or jeopardize public safety or national or Homeland Security
21 interests. The data collector shall provide notice required by this section

1 without unreasonable delay upon receipt of a written communication, which
2 includes facsimile or electronic communication, from the law enforcement
3 agency withdrawing its request for delay.

4 (B) A Vermont law enforcement agency with a reasonable belief that
5 a security breach has or may have occurred at a specific business shall notify
6 the business in writing of its belief. The agency shall also notify the business
7 that additional information on the security breach may need to be furnished to
8 the Vermont Office of the Attorney General or the Vermont Department of
9 Financial Regulation and shall include the website and phone number for the
10 Office and the Department in the notice required by this subdivision. Nothing
11 in this subdivision shall alter the responsibilities of a data collector under this
12 section or provide a cause of action against a law enforcement agency that
13 fails, without bad faith, to provide the notice required by this subdivision.

14 Sec. 2. EFFECTIVE DATE

15 This act shall take effect on July 1, 2014.

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17
18 (Committee vote: _____)

19 _____
20 Senator [surname]

21 FOR THE COMMITTEE