

[First Reprint]

**ASSEMBLY, No. 3146**

**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

INTRODUCED MAY 15, 2014

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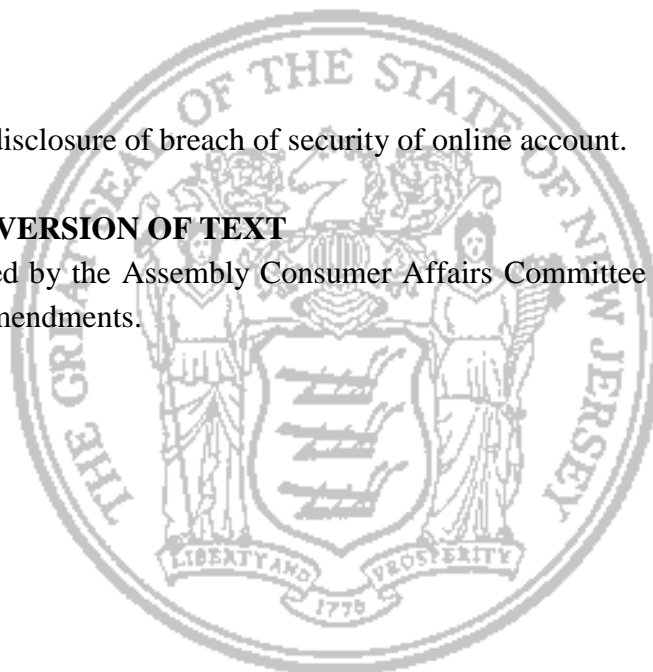
**Assemblymen Webber and Coughlin**

**SYNOPSIS**

Requires disclosure of breach of security of online account.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Consumer Affairs Committee on October 23, 2014, with amendments.



**(Sponsorship Updated As Of: 11/14/2014)**

1 AN ACT concerning disclosure of breaches of security and  
2 amending P.L.2005, c.226.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. Section 10 of P.L.2005, c.226 (C.56:8-161) is amended to  
8 read as follows:

9 10. As used in sections 10 through 15 of this amendatory and  
10 supplementary act:

11 "Breach of security" means unauthorized access to electronic  
12 files, media or data containing personal information that  
13 compromises the security, confidentiality or integrity of personal  
14 information when access to the personal information has not been  
15 secured by encryption or by any other method or technology that  
16 renders the personal information unreadable or unusable. Good  
17 faith acquisition of personal information by an employee or agent of  
18 the business for a legitimate business purpose is not a breach of  
19 security, provided that the personal information is not used for a  
20 purpose unrelated to the business or subject to further unauthorized  
21 disclosure.

22 "Business" means a sole proprietorship, partnership, corporation,  
23 association, or other entity, however organized and whether or not  
24 organized to operate at a profit, including a financial institution  
25 organized, chartered, or holding a license or authorization  
26 certificate under the law of this State, any other state, the United  
27 States, or of any other country, or the parent or the subsidiary of a  
28 financial institution.

29 "Communicate" means to send a written or other tangible record  
30 or to transmit a record by any means agreed upon by the persons  
31 sending and receiving the record.

32 "Customer" means an individual who provides personal  
33 information to a business.

34 "Individual" means a natural person.

35 "Internet" means the international computer network of both  
36 federal and non-federal interoperable packet switched data  
37 networks.

38 "Personal information" means an individual's first name or first  
39 initial and last name linked with any one or more of the following  
40 data elements: (1) Social Security number; (2) driver's license  
41 number or State identification card number; **[or]** (3) account  
42 number or credit or debit card number, in combination with any  
43 required security code, access code, or password that would permit  
44 access to an individual's financial account; or (4) user name <sup>1</sup>**[or]** <sup>1</sup>

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ACO committee amendments adopted October 23, 2014.

1 email address, <sup>1</sup>or any other account holder identifying  
2 information,<sup>1</sup> in combination with any password or security  
3 question and answer that would permit access to an online account.  
4 Dissociated data that, if linked, would constitute personal  
5 information is personal information if the means to link the  
6 dissociated data were accessed in connection with access to the  
7 dissociated data.

8 For the purposes of sections 10 through 15 of this amendatory  
9 and supplementary act, personal information shall not include  
10 publicly available information that is lawfully made available to the  
11 general public from federal, state or local government records, or  
12 widely distributed media.

13 "Private entity" means any individual, corporation, company,  
14 partnership, firm, association, or other entity, other than a public  
15 entity.

16 "Public entity" includes the State, and any county, municipality,  
17 district, public authority, public agency, and any other political  
18 subdivision or public body in the State. For the purposes of  
19 sections 10 through 15 of this amendatory and supplementary act,  
20 public entity does not include the federal government.

21 "Publicly post" or "publicly display" means to intentionally  
22 communicate or otherwise make available to the general public.

23 "Records" means any material, regardless of the physical form,  
24 on which information is recorded or preserved by any means,  
25 including written or spoken words, graphically depicted, printed, or  
26 electromagnetically transmitted. Records does not include publicly  
27 available directories containing information an individual has  
28 voluntarily consented to have publicly disseminated or listed.

29 (cf: P.L.2005, c.226, s.10)

30

31 2. This act shall take effect on the <sup>1</sup>**【90th day】** first day of the  
32 fourth month<sup>1</sup> next following enactment.