



California State Association of Counties



League of California Cities



Urban Counties of California

March 3, 2017

The Honorable Matt Dababneh
Member, California State Assembly
State Capitol, Room 4112
Sacramento, CA 95814

**RE: AB 241 (Dababneh) – Personal information: privacy: state and local agency data breach
Set for hearing in Assembly Privacy and Consumer Protection Committee on March 14, 2017
OPPOSE**

Dear Assembly Member Dababneh:

The California State Association of Counties (CSAC), the Urban Counties of California (UCC), and the League of California Cities (League), regret to inform you of our opposition to your bill, Assembly Bill 241. This bill would require a public agency that is the source of a data breach to provide at least 12 months of appropriate identity theft protection and mitigation services at no cost to the consumer if the breach exposed, or may have exposed a person's name in combination with a social security number or driver's license number.

Interconnectedness with State and Federal Agencies

State and federal agencies and their associated data centers (such as the Department of Justice and Department of Veterans' Affairs) now require more interconnection with local governments. An example of a major connection is with the California Department of Motor Vehicles (DMV), which requires local agencies to renew our DMV network access agreements on an annual basis. This interconnection begs the question of which agency would be liable in certain breaches if a hacker accesses DMV driver's license information by utilizing the county's connection to the DMV, which agency must cover the costs associated with the provisions of AB 241. If it were a local government employee who perpetuated the breach, would the local agency cover the \$100/person cost for credit monitoring for possibly millions of Californians affected? Would the same liability apply had the breach occurred through the county's connection to a state or federal agency but not by someone within the county? To avoid such lack of clarity in these situations, AB 241 should at least be amended to ensure local agencies are only liable for systems and data that are fully within their control – shared systems with the state or federal government should be limited to the residents within the local jurisdiction.

What is “Appropriate”?

AB 241 contains an undefined standard of “appropriate” remedial services. Our coalition is troubled that a lack of specificity could lead to an expansive opinion of what measures must be taken by local governments to remedy a data breach for those affected.

Cost Concerns

The requirements in AB 241 add to existing requirements that local agencies notify residents and consumers of any identity theft (Ca. Civil Code §1798.29). The additional requirement to provide the free services outlined in AB 241 could pose crippling costs to our agencies. The average cost of annual credit monitoring is \$100 per year; a large enough data breach could result in millions of dollars in costs to local governments already struggling to provide basic services to their residents. In the Senate Appropriations analysis of AB 259 (Dababneh, 2015), which is similar to this bill, the analysis noted potential major non-reimbursable costs in the tens of millions of dollars to local agencies to provide credit monitoring services to individuals impacted by data breaches. AB 241 should be amended with a funding mechanism to provide the initial and ongoing resources for local governments to meet the requirements of this bill.

For these reasons, CSAC, UCC, and the League are opposed to AB 241. Should you have any questions on our position, please contact Jolena Voorhis with UCC at (916) 327-7531, Dorothy Johnson with CSAC at (916) 327-7500, or Dane Hutchings with the League at (916) 658-8200.

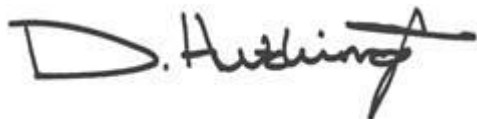
Sincerely,



Dorothy Johnson
Legislative Representative
CSAC



Jolena Voorhis
Executive Director
UCC



Dane Hutchings
Legislative Representative
League

cc: Members, Assembly Privacy Committee
Hank Dempsey, Consultant, Assembly Privacy Committee