

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT
LB835

Hearing Date: Thursday January 28, 2016
Committee On: Judiciary
Introducer: Mello
One Liner: Change provisions relating to consumer protection

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Chambers, Coash, Ebke, Krist, Morfeld, Pansing Brooks, Seiler, Williams

Nay:

Absent:

Present Not Voting:

Verbal Testimony:

Proponents:

SEN. HEATH MELLO
ABIGAIL STEMPSON
MARK INTERMILL
JIM HEGARTY
KEN SMITH
JIM OTTO

Representing:

INTRODUCER
NE ATTORNEY GENERAL'S OFFICE
AARP
BETTER BUSINESS BUREAU
APPLESEED
NE RETAIL FEDERATION

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

Section 1 would amend the Credit Report Protection Act in section 8-2603 to require a consumer reporting agency to create a file for a minor upon receipt of a request for a security freeze on the file.

Section 2 would amend the Consumer Protection Act in section 59-1611 to permit the Attorney General to disclose documentary material related to an investigation into a violation of the Act with an official in this or any other state charged with enforcement of antitrust or consumer protection laws.

Section 3 would amend section 59-1614 to increase the civil penalty for a violation of sections 59-1603 and 59-1604 of the Consumer Protection Act from not more than \$25,000 to not more than \$500,000. Section 59-1603 prohibits contracts, combinations and conspiracies in restraint of trade and section 59-1604 prohibits monopolies and attempted monopolies.

Section 4 would make minor changes to the definitions section of the Uniform Deceptive Trade Practices Act. Section 5 would specify two additional deceptive trade practices in section 87-302. The new subsection (6) would prohibit a person from representing that goods, services or a person does not have sponsorship, approval or characteristics that they have. The new subsection (21) would prohibit using deception or fraud to solicit funds or assets for a charitable purpose.

Section 6 would amend section 87-303(e) to harmonize a reference to a renumbered subsection of section 87-302.

Section 7 would make several changes to the Financial Data Protection and Consumer Notification of Data Security Breach Act in section 87-802. This section would expand the definition of data acquisition that can constitute a breach of the security of the system. This section would also change the definition of encrypted data to exclude certain data when the confidential process or key was or is reasonably believed to have been acquired as a result of the breach of the security of the system. This section would add a user name and password to the definition of personal information.

Section 8 would require notice of a breach of security of a system sent to a person to also be sent to the Attorney General. Section 9 adds the reference to notifying the Attorney General to section 87-804.

Explanation of amendments:

AM2138 replaces Section 1 of the original bill. Section 2 creates the term protected consumer which includes individuals that are under sixteen years of age or incapacitated. This section also expands the definition of security freeze to detail the required action when a file does not exist for a protected person.

Section 4 requires a reporting agency to place a security freeze for a protected consumer upon an appropriate request from a representative. Sections 10 and 11 provide the process for removing a security freeze.

Les Seiler, Chairperson