

# ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018

## COMMITTEE STATEMENT

### LB757

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**Hearing Date:** Thursday January 25, 2018  
**Committee On:** Judiciary  
**Introducer:** Morfeld  
**One Liner:** Change provisions of the Credit Report Protection Act and the Financial Data Protection and Consumer Notification of Data Security Breach Act of 2006

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**Roll Call Vote - Final Committee Action:**

Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 7 Senators Baker, Ebke, Halloran, Hansen, Krist, Morfeld, Pansing Brooks  
**Nay:**  
**Absent:** 1 Senator Chambers  
**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**

Senator Adam Morfeld  
Meghan Stoppel

**Representing:**

Introducer  
Attorney General's Office

**Opponents:**

Jim Otto  
Kathy Siefken

**Representing:**

Nebraska Retail Federation  
Nebraska Grocery Industry Association

**Neutral:**

Jerry Stilmock

**Representing:**

Nebraska Bankers Association

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**Summary of purpose and/or changes:**

Sections 1 and 2 of the bill would eliminate the requirement that a fee be paid before a consumer reporting agency is required to place or remove a security freeze for a protected consumer. Sections 3 and 4 of the bill would prohibit a consumer reporting agency from charging any fee for placing, temporarily lifting, or removing any other substantially similar type of security product.

Sections 5 and 6 would add provisions of statute that require any individual or commercial entity that conducts business in Nebraska and owns, licenses or maintains data that includes personal information about a resident of Nebraska to implement and maintain security procedures and practices that are appropriate to the nature of the information and to the nature and size of the business. Compliance with this requirement can be achieved by complying with state or federal law that provides greater protection than currently in Nebraska's Financial Data Protection and Consumer Notification of Data Security Breach Act of 2006, or that complies with the regulations under Title V of the federal Gramm-Leach-Bliley Act as the act existed on January 1, 2018, if the individual or commercial entity is subject to that Act. The same requirement applies to any third party to which the personal information is disclosed by the individual or commercial entity. A violation of any of these requirements would be unlawful in accordance with Neb. Rev. Stat. Sec. 59-1602 and the person in violation may be subject to civil penalties, including damages, costs, and attorney's fees, and an additional award of damages which bears a reasonable relation to the actual damages sustained that are not susceptible to ordinary measurement not to exceed one thousand dollars.

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**Explanation of amendments:**

The amendment makes changes to language to incorporate industry-standard terminology. The amendment further reorganizes and restructures the provisions of the Section in a way that better conforms to industry requirements and appropriately references applicable federal law.

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Laura Ebke, Chairperson