

**MINUTES OF THE HOUSE BUSINESS AND LABOR
STANDING COMMITTEE**
Room W010, West Office Building, State Capitol Complex
February 17, 2006

Members Present: Rep. Stephen D. Clark, Chair
Rep. Jim Dunnigan, Vice Chair
Rep. Jackie Biskupski
Rep. David Clark
Rep. Carl W. Duckworth
Rep. Craig A. Frank
Rep. Neil A. Hansen
Rep. Todd E. Kiser
Rep. Michael T. Morley
Rep. Curtis Oda
Rep. Scott L. Wyatt

Members Absent: Rep. J. Stuart Adams
Rep. Gordon E. Snow

Staff Present: Allison Morgan, Policy Analyst
Linda Error, Committee Secretary

Note: List of visitors and a copy of handouts are filed with committee minutes.

Chair S. Clark called the meeting to order at 4:32 p.m.

MOTION: Rep. D. Clark moved to approve the minutes of the February 15, 2006 meeting. The motion passed unanimously, with Rep. Frank, Rep. Morley, and Rep. Wyatt absent for the vote.

S.B. 147 Division of Consumer Protection Amendments (*Sen. D. Eastman*)

Sen. Eastman introduced the bill to the committee, with the assistance of Thad LeVar, Director, Division of Consumer Protection.

MOTION: Rep. Biskupski moved to amend the bill as follows:

1. *Page 4, Lines 92 through 93:*

92 (B) that is regulated or supervised by the Federal Deposit Insurance Corporation

 {~~and~~} or

93 the National Credit Union {~~Association~~} Administration ;

The motion to amend pass unanimously, with Rep. Frank, Rep. Morley, and Rep. Wyatt absent for the vote.

MOTION: Rep. Biskupski moved to amend the bill as follows:

1. *Page 5, Lines 141 through 144:*

- 141 (iii) fitness training; or
{ ~~142 (iv) yoga training;~~
143 ~~(v) pilates training; or~~ }
144 (vi) other exercise.

2. *Page 5, Line 151 through Page 6, Line 154:*

- 151 (vi) as a "personal training facility"; or
{ ~~152 (vii) as a "yoga facility";~~
153 ~~(viii) as a "pilates facility"; or~~ }
154 (ix) with any other similar terms.

The motion to amend passed unanimously, with Rep. Frank, Rep. Morley, and Rep. Wyatt absent for the vote.

MOTION: Rep. Biskupski moved to pass the bill out favorably as amended. The motion passed unanimously, with Rep. Frank, Rep. Morley, and Rep. Wyatt absent for the vote.

MOTION: Rep. Biskupski moved to place S.B. 147 on the Consent Calendar. The motion passed unanimously, with Rep. Frank, Rep. Morley, and Rep. Wyatt absent for the vote.

H.B. 9 Worker's Compensation Coverage of Firefighters and Drug Task Force Officers
(J. Murray)

Rep. Murray introduced the bill and the substitute to the committee, with the assistance of Lee Ellertson, Commissioner, Utah Labor Commission and Jeff Rowley, Risk Manager, Salt Lake County.

MOTION: Rep. D. Clark moved to delete in title and body H.B. 9 and replace it with 2nd Substitute H.B. 9. The motion passed unanimously, with Rep. Morley and Rep. Wyatt absent for the vote.

2nd Sub. H.B. 9 Workers' Compensation Studies Including Coverage of Firefighters and Drug Officers (Rep. J. Murray)

Spoke for the bill: Jim Judd, President, Professional Firefighters of Utah
 Michael Jensen, Unified Fire Authority, Salt Lake County Council

Rep. D. Clark declared a conflict of interest.

MOTION: Rep. Kiser moved to pass the substitute bill out favorably. The motion passed unanimously, with Rep. Wyatt absent for the vote.

H.B. 430 Department of Financial Institutions Pay Plan (Rep. J. Alexander)

Rep. Alexander introduced the bill to the committee, with the assistance of George Sutton, Utah Bankers' Association, Utah Association of Financial Services.

Spoke to the bill: Michael Jones, Chief Examiner, Department of Financial Institutions

MOTION: Rep. Biskupski moved to pass the bill out favorably. The motion passed unanimously, with Rep. Morley and Rep. Wyatt absent for the vote.

H.B. 381 Post-retirement Benefits Trust Fund (Rep. D. Clark)

Rep. D. Clark introduced the bill to the committee.

MOTION: Rep. Frank moved to pass the bill out favorably. The motion passed unanimously, with Rep. Kiser, Rep. Morley, and Rep. Wyatt absent for the vote.

H.B. 313 Minimum Wage Revisions (Rep. N. Hansen)

Rep. Hansen introduced the bill to the committee, with the assistance of Robyn Lipkowitz, Utah Issues. (handout)

Rep. Hansen declared a conflict of interest.

Spoke for the bill: Bill Tibbitts, Crossroads Urban Center (handout)
 George Neckel, Utah Jobs for Justice (handout)
 Bill Crim, United Way of Salt Lake (handout)

Spoke against the bill: Candace Daly, National Federation of Independent Business

Spoke to the bill: Pamela Atkinson, community advocate
Lee Ellertson, Utah Labor Commission

MOTION: Rep. Duckworth moved to pass the bill out favorably. The motion failed, with Rep. Biskupski, Rep. S. Clark, Rep. Duckworth, and Rep. Hansen voting in favor. Rep. Kiser was absent for the vote..

2nd Sub. S.B. 71 Consumer Credit Protection (Sen. C. Walker)

Sen. Walker introduced the bill and the substitute to the committee, with the assistance of Mark Shurtliff, Attorney General, State of Utah.

MOTION: Rep. D. Clark moved to delete in title and body 2nd Substitute S.B. 71 and replace it with 3rd Substitute S.B. 71. The motion passed unanimously, with Rep. Dunnigan and Rep. Kiser absent for the vote.

Spoke for the bill: Chris Kyler, Utah Association of Realtors
Craig Bickmore, Utah Automobile Retailers Association

Spoke against the bill: Dean Wangsgarn, President, National Association of Credit Management
Candace Daly, Consumer Data Industry

MOTION: Rep. Dunnigan moved to amend the bill as follows:

1. Page 4, Line 112 through Page 5, Line 119:

112 (6) (a) A consumer reporting agency shall develop a contact method to receive and
113 process a consumer's request to place, remove, or temporarily remove a security freeze.

114 (b) A contact method under Subsection (6)(a) shall include:

115 (i) a postal address; **and**

116 (ii) an electronic contact method chosen by the consumer reporting agency, which
may

117 include the use of **telephone,** fax, Internet, or other electronic means ~~{;and}~~ .

118 ~~{(iii) the use of telephone in a manner that is consistent with any federal~~
~~requirements~~

119 ~~placed on the consumer reporting agency.}~~

2. Page 5, Line 130:

130 (B) the consumer provides the ~~{customer's}~~ **consumer's** personal

identification number or password;

3. *Page 5, Lines 135 through 138:*

135 ~~{(2) Within ten business days after the day on which a consumer reporting~~
~~agency~~
136 ~~permanently removes a security freeze from a consumer's credit report, the~~
~~consumer reporting~~
137 ~~agency shall send a written confirmation of the removal of the security freeze to the~~
~~consumer.}~~
138 ~~{(3)}~~ (2) (a) A consumer reporting agency shall temporarily remove a
security freeze upon

4. *Page 6, Line 160:*

160 provided in Subsection ~~{(3)}~~ (2) (b)(ii) if:

5. *Page 8, Line 240 through Page 9, Line 245:*

240 (1) ~~{(a)}~~ Except as provided in Subsection (2), a consumer reporting agency
may charge
241 a reasonable fee to a consumer for placing and temporarily removing a security
freeze.
242 ~~{(b) The fee paid under Subsection (1)(a) allows the consumer to place the~~
~~security~~
243 ~~freeze and to either permanently or temporarily remove the security freeze one~~
~~time.}~~
244 ~~{(c) Except as provided in Subsections (1)(b) and (2), a consumer reporting~~
~~agency may~~
245 ~~charge a fee for removal or temporary removal of a security freeze.}~~

Rep. Frank requested a division on the motion to divide the amendment in three separate motions: the first to include lines 112 through 119, the second to include line 130, and the third to include lines 135 through 138, line 160, and lines 240 through 245.

The motion to adopt the first amendment, lines 112 through 119 failed, with Rep. Duckworth and Rep. Dunnigan voting in favor. Rep. Biskupski and Rep. Hansen were absent for the vote.

The motion to adopt the second amendment, line 130, passed unanimously, with Rep. Biskupski

and Rep. Hansen absent for the vote.

The motion to adopt the third amendment, lines 135 through 138, line 160, and lines 240 through 245, passed with Rep. S. Clark, Rep. Frank, Rep. Oda, and Rep. Wyatt voting in opposition. Rep. Biskupski and Rep. Hansen were absent for the vote.

MOTION: Rep. D. Clark moved to pass the bill out favorably as amended. The motion passed unanimously, with Rep. Biskupski and Rep. Hansen absent for the vote.

1st Sub. S.B. 69 Protection of Information in Consumer Credit Databases (Sen. C. Walker)

Sen. Walker introduced the bill to the committee, with the assistance of Richard Hamp, Office of the Attorney General.

MOTION: Rep. D. Clark moved to amend the bill as follows:

1. *Page 1, Lines 24 through 25:*

24 Other Special Clauses:

25 ~~{None}~~ **This bill takes effect on January 1, 2007.**

2. *Page 2, Lines 43 through 48*

Senate 2nd Reading Amendments

2-7-2006:

43 (1) (a) "Breach of system security" means an unauthorized acquisition of unencrypted

44 computerized ~~{records}~~ **data** maintained by a person that compromises the
security ~~{or}~~ **confidentiality** **or integrity**

45 of personal information ~~{contained in the records}~~ .

46 (b) "Breach of system security" does not include the acquisition of personal

47 information by an employee or agent of the person possessing ~~{~~

records} **unencrypted computerized data** unless the personal

48 information is used or disclosed in an unauthorized manner.

3. *Page 2, Line 50 through Page 3, Line 64c*

Senate 2nd Reading Amendments

2-7-2006:

50 (3) ~~Ŝ~~ (a) ~~Ŝ~~ "Personal information" means ~~Ŝ~~ [:

51 ~~(a)}~~ ~~Ŝ~~ a person's **first** name **or first initial and last name** ~~Ŝ~~ [; address;
or telephone number] ~~Ŝ~~ combined with ~~Ŝ~~ [the

- 51a person's] any one or more of the following data elements relating to that person
 {if} when either the name or data
51b element is unencrypted ←Ŝ :
52 (i) Social Security number;
53 (ii) (A) financial account number , or credit or debit card {;} number; and
54 (B) any required security code, access code, or password that would permit access to
55 the person's account; or
56 (iii) driver license number or {other} Ŝ→ [government-issued]
 {comparable} ←Ŝ state identification card
56a number; and
57 {~~(iv) consumer report;~~
58 ~~(v) employee number;~~
59 ~~(vi) faculty or student identification number;~~
60 ~~(vii) United States Armed Forces serial number; or~~
61 ~~(viii) genetic or biometric information; or }~~
62 {~~(b) Ŝ→ "Personal information" includes ←Ŝ any of the information listed in~~
 Subsections
62a ~~(3)(a)(i) through (viii) without the~~
63 ~~person's name Ŝ→ [, address, or telephone number] ←Ŝ if the information is~~
 sufficient to allow a
63a person
64 to obtain money, credit, or services through unauthorized use of the information.}
64a Ŝ→ {~~(c)~~} (b) "Personal information" does not include information, regardless of
 its source, contained
64b in federal, state, or local government records or in widely distributed media that are
 lawfully
64c made available to the general public. ←Ŝ

4. *Page 4, Lines 106e through 106g*
Senate 2nd Reading Amendments
2-7-2006:

- 106e (b) If an investigation under Subsection (1)(a) reveals that the misuse of personal
 information
106f has occurred, or is reasonably likely to occur, the person shall provide notification to each
 affected
106g Utah resident {as soon as possible} .

5. *Page 4, Lines 106h through 106l*
Senate 2nd Reading Amendments
2-7-2006:

- 106h (2) A person required to provide notification under Subsection (1) shall provide the
106i notification ~~{as soon as possible}~~ in the most expedient time possible without
unreasonable delay ;
106j (a) considering legitimate investigative needs of law enforcement , as provided in
Subsection (4)(a) ;
106k (b) after determining the scope of the breach of system security; and
106l (c) after restoring the reasonable integrity of the system.

6. *Page 4a, Lines 106v through 106y*
Senate 2nd Reading Amendments
2-7-2006:

- 106v (b) A person who delays providing notification under Subsection (4)(a) shall provide
106w notification in good faith without unreasonable delay ~~{as soon as possible}~~ in the
most expedient time possible after the law
106x enforcement agency informs the person that notification will no longer impede the
criminal
106y investigation.

7. *Page 5, Lines 124 through 124e*
Senate 2nd Reading Amendments
2-7-2006:

- 124 ~~the federal procedures.]~~ (c) If a person maintains the person's own notification procedures
as
124a part of an information security policy for the treatment of personal information , the
person is considered
124b to be in compliance with this chapter's notification requirements if the procedures are
124c otherwise consistent with this chapter's timing requirements and the person notifies each
124d affected Utah resident in accordance with the person's information security policy in the
event
124e of a breach.

8. *Page 6, Line 155:*

155 general under Section 13-42-301.

Section 7. Effective date.

This bill takes effect on January 1, 2007.

The motion to amend passed unanimously, with Rep Biskupski and Rep. Hansen absent for the vote.

MOTION: Rep. Morley moved to adjourn the meeting. The motion passed unanimously, with Rep. Biskupski and Rep. Hansen absent for the vote.

Rep. S. Clark adjourned the meeting at 6:50 p.m.

Rep. Stephen D. Clark, Chair