

SSB 5432 - S AMD 83

By Senator Honeyford

NOT ADOPTED 02/24/2021

1 On page 6, after line 9, insert the following:

2 "NEW SECTION. **Sec. 8.** A new section is added to chapter 4.92
3 RCW to read as follows:

4 (1) The digital data breach reimbursement claims program is
5 created in the office of risk management. In the event of a major
6 cybersecurity incident that results in the breach of the security of
7 the system owned or operated by the state that results in the release
8 of personal information, eligible individuals may submit a claim for
9 reimbursement to the office of risk management for the following
10 costs incurred within one year of the date of the breach:

11 (a) Identity restoration services if an individual discovers
12 unauthorized use of their personal information;

13 (b) Losses from unauthorized charges to financial accounts that
14 result in direct financial harm to the individual;

15 (c) The cost for a new driver's license; and

16 (d) Costs for one year of credit monitoring.

17 (2) All claims against the state, or against the state's
18 officers, employees, or volunteers, acting in such capacity, for
19 damages, must be presented to the office of risk management within
20 one year of the breach. A claim is deemed presented when the claim
21 form is delivered in person or by regular mail, registered mail, or
22 certified mail, with return receipt requested, or as an attachment to
23 email or by fax, to the office of risk management. The office of risk
24 management must develop a standardized claim form for individuals to
25 use to submit a claim. The office must review all claims and
26 determine if the claim is eligible for payment.

27 (3) For the purposes of this section and section 9 of this act,
28 "breach of the security of the system" and "personal information"
29 have the meanings provided in RCW 42.56.590.

30 NEW SECTION. **Sec. 9.** A new section is added to chapter 4.92 RCW
31 to read as follows:

1 The state digital data breach account is created in the custody
2 of the state treasurer. Revenues to the account consist of
3 legislative appropriations and transfers and other revenues provided
4 by law. If the office of the attorney general brings an action in the
5 name of the state or on behalf of its residents under chapter 19.86
6 RCW or other law for injuries suffered from a breach of the security
7 of the system owned or operated by the state, any damages,
8 restitution, or penalties received from such an action must be
9 deposited into the account. Expenditures from the account may only be
10 used for the payment of eligible claims provided in section 8 of this
11 act. Only the director or the director's designee may authorize
12 expenditures from the account. The account is subject to allotment
13 procedures under chapter 43.88 RCW, but an appropriation is not
14 required for expenditures.

15 NEW SECTION. **Sec. 10.** The sum of \$52,000,000, or as much
16 thereof as may be necessary, is appropriated from the general fund
17 for fiscal year 2021 solely for expenditure into the state digital
18 data breach account created in section 9 of this act."

19 Renumber the remaining section consecutively and correct any
20 internal references accordingly.

21 On page 6, after line 13, insert the following:

22 "NEW SECTION. **Sec. 12.** Sections 8 through 10 of this act are
23 necessary for the immediate preservation of the public peace, health,
24 or safety, or support of the state government and its existing public
25 institutions, and take effect immediately."

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26 On page 1, line 4 of the title, after "42.56 RCW;" insert "adding
27 new sections to chapter 4.92 RCW;"

28 On page 1, line 5 of the title, after "43.105.215;" strike all
29 material through "date" and insert "making an appropriation;
30 providing an expiration date; and declaring an emergency"

EFFECT: Individuals may submit a claim for reimbursement to the office of risk management for certain costs they incur from a major cybersecurity incident that results in the breach of the security of the system owned or operated by the state that results in the release of personal information. Creates the state digital data breach account to fund such claims and directs the Attorney General's Office to deposit into the account any damages and recoveries its receives from actions it takes for injuries to the state or its residents from the breach of the security of the system. Appropriates \$52 million of general fund moneys for fiscal year 2021 into the state digital data breach account. These portions of the bill are made effective immediately.

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