

<b>California “Shine the Light” Law</b>	<b>Montana’s third-party disclosure proposal</b>
<p><b>1798.83.</b> (a) Except as otherwise provided in subdivision (d), if a business has an established business relationship with a customer and has within the immediately preceding calendar year disclosed personal information that corresponds to any of the categories of personal information set forth in paragraph (6) of subdivision (e) to third parties, and if the business knows or reasonably should know that the third parties used the personal information for the third parties' direct marketing purposes, that business shall, after the receipt of a written or electronic mail request, or, if the business chooses to receive requests by toll-free telephone or facsimile numbers, a telephone or facsimile request from the customer, provide all of the following information to the customer free of charge:</p> <p>(1) In writing or by electronic mail, a list of the categories set forth in paragraph (6) of subdivision (e) that correspond to the personal information disclosed by the business to third parties for the third parties' direct marketing purposes during the immediately preceding calendar year.</p> <p>(2) In writing or by electronic mail, the names and addresses of all of the third parties that received personal information from the business for the third parties' direct marketing purposes during the preceding calendar year and, if the nature of the third parties' business cannot reasonably be determined from the third parties' name, examples of the products or services marketed, if known to the business, sufficient to give the customer a reasonable indication of the nature of the third parties' business.</p> <p>(b) (1) A business required to comply with this section shall designate a mailing address, electronic mail address, or, if the business chooses to receive requests by telephone or facsimile, a toll-free telephone or facsimile number, to which customers may deliver requests pursuant to subdivision (a). A business required to comply with this section shall, at its election, do at least one of the following:</p>	<p><u>NEW SECTION.</u> <b>Section 8. Business relationship -- information disclosure.</b> (1) Except as provided in subsection (4), if a business has an established business relationship with a customer and has within the immediately preceding calendar year disclosed personal information that corresponds to any of the categories of personal information set forth in subsection (5)(a) to third parties and if the business knows or reasonably should know that the third parties used the personal information for the third parties' direct marketing purposes, that business shall, after the receipt of a written or electronic mail request or, if the business chooses to receive requests by toll-free telephone or facsimile numbers, a telephone or facsimile request from the customer, provide all of the following information to the customer free of charge, in writing or by electronic mail:</p> <p>(a) a list of the categories set forth in subsection (5)(a) that correspond to the personal information disclosed by the business to third parties for the third parties' direct marketing purposes during the immediately preceding calendar year;</p> <p>(b) the names and addresses of all of the third parties that received personal information from the business for the third parties' direct marketing purposes during the preceding calendar year and, if the nature of the third parties' business cannot reasonably be determined from the third parties' name, examples of the products or services marketed, if known to the business, sufficient to give the customer a reasonable indication of the nature of the third parties' business.</p> <p>(2) (a) A business required to comply with this section shall designate a mailing address, electronic mail address, or, if the business chooses to receive requests by telephone or facsimile, a toll-free telephone or facsimile number, to which customers may deliver requests pursuant to subsection (1). A business required to comply with this section shall, at its election, do at least one of the</p>

(A) Notify all agents and managers who directly supervise employees who regularly have contact with customers of the designated addresses or numbers or the means to obtain those addresses or numbers and instruct those employees that customers who inquire about the business's privacy practices or the business's compliance with this section shall be informed of the designated addresses or numbers or the means to obtain the addresses or numbers.

(B) Add to the home page of its Web site a link either to a page titled "Your Privacy Rights" or add the words "Your Privacy Rights" to the home page's link to the business's privacy policy. If the business elects to add the words "Your Privacy Rights" to the link to the business's privacy policy, the words "Your Privacy Rights" shall be in the same style and size as the link to the business's privacy policy. If the business does not display a link to its privacy policy on the home page of its Web site, or does not have a privacy policy, the words "Your Privacy Rights" shall be written in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks that call attention to the language. The first page of the link shall describe a customer's rights pursuant to this section and shall provide the designated mailing address, e-mail address, as required, or toll-free telephone number or facsimile number, as appropriate. If the business elects to add the words "Your California Privacy Rights" to the home page's link to the business's privacy policy in a manner that complies with this subdivision, and the first page of the link describes a customer's rights pursuant to this section, and provides the designated mailing address, electronic mailing address, as required, or toll-free telephone or facsimile number, as appropriate, the business need not respond to requests that are not received at one of the designated addresses or numbers.

(C) Make the designated addresses or

following:

(i) notify all agents and managers who directly supervise employees who regularly have contact with customers of the designated addresses or numbers or the means to obtain those addresses or numbers and instruct those employees that customers who inquire about the business's privacy practices or the business's compliance with this section must be informed of the designated addresses or numbers or the means to obtain the addresses or numbers;

(ii) add to the home page of its website a link either to a page titled "Your Privacy Rights" or to add the words "Your Privacy Rights" to the home page's link to the business's privacy policy. If the business elects to add the words "Your Privacy Rights" to the link to the business's privacy policy, the words "Your Privacy Rights" must be in the same style and size as the link to the business's privacy policy. If the business does not display a link to its privacy policy on the home page of its website or does not have a privacy policy, the words "Your Privacy Rights" must be written in larger type than the surrounding text or in contrasting type, font, or color to the surrounding text of the same size or set off from the surrounding text of the same size by symbols or other marks that call attention to the language. The first page of the link must describe a customer's rights pursuant to this section and must provide the designated mailing address, electronic mail address, as required, or toll-free telephone number or facsimile number, as appropriate. If the business elects to add the words "Your Privacy Rights" to the home page's link to the business's privacy policy in a manner that complies with this subsection (2)(a)(ii) and the first page of the link describes a customer's rights pursuant to this section and provides the designated mailing address, electronic mail address, as required, or toll-free telephone or facsimile number, as appropriate, the business need not respond to requests that are not received at one of the designated addresses or numbers.

numbers, or means to obtain the designated addresses or numbers, readily available upon request of a customer at every place of business in California where the business or its agents regularly have contact with customers.

The response to a request pursuant to this section received at one of the designated addresses or numbers shall be provided within 30 days. Requests received by the business at other than one of the designated addresses or numbers shall be provided within a reasonable period, in light of the circumstances related to how the request was received, but not to exceed 150 days from the date received.

(2) A business that is required to comply with this section and Section 6803 of Title 15 of the United States Code may comply with this section by providing the customer the disclosure required by Section 6803 of Title 15 of the United States Code, but only if the disclosure also complies with this section.

(3) A business that is required to comply with this section is not obligated to provide information associated with specific individuals and may provide the information required by this section in standardized format.

(c) (1) A business that is required to comply with this section is not obligated to do so in response to a request from a customer more than once during the course of any calendar year. A business with fewer than 20 full-time or part-time employees is exempt from the requirements of this section.

(2) If a business that is required to comply with this section adopts and discloses to the public, in its privacy policy, a policy of not disclosing personal information of customers to third parties for the third parties' direct marketing purposes unless the customer first affirmatively agrees to that disclosure, or of not disclosing the personal information of customers to third parties for the third parties' direct marketing purposes if the customer has exercised an option that prevents that information from being disclosed to third parties for those purposes, as long as the business

(iii) make the designated addresses or numbers or means to obtain the designated addresses or numbers readily available upon request of a customer at every place of business in Montana where the business or its agents regularly have contact with customers. The response to a request pursuant to this section received at one of the designated addresses or numbers must be provided within 30 days. Requests received by the business at other than one of the designated addresses or numbers must be provided within a reasonable period, in light of the circumstances related to how the request was received, but not to exceed 150 days from the date received.

(b) A business that is required to comply with this section and 15 U.S.C. 6803 may comply with this section by providing the customer the disclosure required by 15 U.S.C. 6803, but only if the disclosure also complies with this section.

(c) A business that is required to comply with this section is not obligated to provide information associated with specific individuals and may provide the information required by this section in standardized format.

(3) (a) A business that is required to comply with this section is not obligated to do so in response to a request from a customer more than once during the course of any calendar year. A business with fewer than 20 full-time or part-time employees is exempt from the requirements of this section.

(b) If a business that is required to comply with this section adopts and discloses to the public, in its privacy policy, a policy of not disclosing personal information of customers to third parties for the third parties' direct marketing purposes unless the customer first affirmatively agrees to that disclosure or of not disclosing the personal information of customers to third parties for the third parties' direct marketing purposes if the customer has exercised an option that prevents that information from being disclosed to third parties for those purposes, as long as the business

maintains and discloses the policies, the business may comply with subdivision (a) by notifying the customer of his or her right to prevent disclosure of personal information, and providing the customer with a cost-free means to exercise that right.

(d) The following are among the disclosures not deemed to be disclosures of personal information by a business for a third party's direct marketing purposes for purposes of this section:

(1) Disclosures between a business and a third party pursuant to contracts or arrangements pertaining to any of the following:

(A) The processing, storage, management, or organization of personal information, or the performance of services on behalf of the business during which personal information is disclosed, if the third party that processes, stores, manages, or organizes the personal information does not use the information for a third party's direct marketing purposes and does not disclose the information to additional third parties for their direct marketing purposes.

(B) Marketing products or services to customers with whom the business has an established business relationship where, as a part of the marketing, the business does not disclose personal information to third parties for the third parties' direct marketing purposes.

(C) Maintaining or servicing accounts, including credit accounts and disclosures pertaining to the denial of applications for credit or the status of applications for credit and processing bills or insurance claims for payment.

(D) Public record information relating to the right, title, or interest in real property or information relating to property characteristics, as defined in Section 408.3 of the Revenue and Taxation Code, obtained from a governmental agency or entity or from a multiple listing service, as defined in Section 1087, and not provided directly by the customer to a business in the course of an established business relationship.

maintains and discloses the policies, the business may comply with subsection (1) by notifying the customer of the right to prevent disclosure of personal information and providing the customer with a cost-free means to exercise that right.

(4) The following are among the disclosures not considered to be disclosures of personal information by a business for a third parties' direct marketing purposes for purposes of this section:

(a) disclosures between a business and a third party pursuant to contracts or arrangements pertaining to any of the following:

(i) the processing, storage, management, or organization of personal information or the performance of services on behalf of the business during which personal information is disclosed if the third party that processes, stores, manages, or organizes the personal information does not use the information for a third party's direct marketing purposes and does not disclose the information to additional third parties for their direct marketing purposes;

(ii) marketing products or services to customers with whom the business has an established business relationship if, as a part of the marketing, the business does not disclose personal information to third parties for the third parties' direct marketing purposes;

(iii) maintaining or servicing accounts, including credit accounts and disclosures pertaining to the denial of applications for credit or the status of applications for credit and processing bills or insurance claims for payment;

(iv) public record information relating to the right, title, or interest in real property or information relating to property characteristics, as required in property tax records, obtained from a governmental agency and not provided directly by the customer to a business in the course of an established business relationship;

(v) jointly offering a product or service pursuant to a written agreement with the third

(E) Jointly offering a product or service pursuant to a written agreement with the third party that receives the personal information, provided that all of the following requirements are met:

(i) The product or service offered is a product or service of, and is provided by, at least one of the businesses that is a party to the written agreement.

(ii) The product or service is jointly offered, endorsed, or sponsored by, and clearly and conspicuously identifies for the customer, the businesses that disclose and receive the disclosed personal information.

(iii) The written agreement provides that the third party that receives the personal information is required to maintain the confidentiality of the information and is prohibited from disclosing or using the information other than to carry out the joint offering or servicing of a product or service that is the subject of the written agreement.

(2) Disclosures to or from a consumer reporting agency of a customer's payment history or other information pertaining to transactions or experiences between the business and a customer if that information is to be reported in, or used to generate, a consumer report as defined in subdivision (d) of Section 1681a of Title 15 of the United States Code, and use of that information is limited by the federal Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.).

(3) Disclosures of personal information by a business to a third party financial institution solely for the purpose of the business obtaining payment for a transaction in which the customer paid the business for goods or services with a check, credit card, charge card, or debit card, if the customer seeks the information required by subdivision (a) from the business obtaining payment, whether or not the business obtaining payment knows or reasonably should know that the third party financial institution has used the personal information for its direct marketing purposes.

(4) Disclosures of personal information

party that receives the personal information, provided that all of the following requirements are met:

(A) the product or service offered is a product or service of and is provided by at least one of the businesses that is a party to the written agreement;

(B) the product or service is jointly offered, endorsed, or sponsored by and clearly and conspicuously identifies for the customer the businesses that disclose and receive the disclosed personal information;

(C) the written agreement provides that the third party that receives the personal information is required to maintain the confidentiality of the information and is prohibited from disclosing or using the information other than to carry out the joint offering or servicing of a product or service that is the subject of the written agreement;

(b) disclosures to or from a consumer reporting agency of a customer's payment history or other information pertaining to transactions or experiences between the business and a customer if that information is to be reported in or used to generate a consumer report as defined in 15 U.S.C. 1681a(d) and use of that information is limited by the federal Fair Credit Reporting Act;

(c) disclosures of personal information by a business to a third-party financial institution solely for the purpose of the business obtaining payment for a transaction in which the customer paid the business for goods or services with a check, credit card, charge card, or debit card, if the customer seeks the information required by subsection (1) from the business obtaining payment, whether or not the business obtaining payment knows or reasonably should know that the third-party financial institution has used the personal information for its direct marketing purposes;

(d) disclosures of personal information between a licensed agent and its principal, if the personal information disclosed is necessary to

between a licensed agent and its principal, if the personal information disclosed is necessary to complete, effectuate, administer, or enforce transactions between the principal and the agent, whether or not the licensed agent or principal also uses the personal information for direct marketing purposes, if that personal information is used by each of them solely to market products and services directly to customers with whom both have established business relationships as a result of the principal and agent relationship.

(5) Disclosures of personal information between a financial institution and a business that has a private label credit card, affinity card, retail installment contract, or cobranded card program with the financial institution, if the personal information disclosed is necessary for the financial institution to maintain or service accounts on behalf of the business with which it has a private label credit card, affinity card, retail installment contract, or cobranded card program, or to complete, effectuate, administer, or enforce customer transactions or transactions between the institution and the business, whether or not the institution or the business also uses the personal information for direct marketing purposes, if that personal information is used solely to market products and services directly to customers with whom both the business and the financial institution have established business relationships as a result of the private label credit card, affinity card, retail installment contract, or cobranded card program.

(e) For purposes of this section, the following terms have the following meanings:

(1) "Customer" means an individual who is a resident of California who provides personal information to a business during the creation of, or throughout the duration of, an established business relationship if the business relationship is primarily for personal, family, or household purposes.

(2) "Direct marketing purposes" means the use of personal information to solicit or induce a

complete, effectuate, administer, or enforce transactions between the principal and the agent, whether or not the licensed agent or principal also uses the personal information for direct marketing purposes, if that personal information is used by each of them solely to market products and services directly to customers with whom both have established business relationships as a result of the principal and agent relationship;

(e) disclosures of personal information between a financial institution and a business that has a private label credit card, affinity card, retail installment contract, or cobranded card program with the financial institution, if the personal information disclosed is necessary for the financial institution to maintain or service accounts on behalf of the business with which it has a private label credit card, affinity card, retail installment contract, or cobranded card program or to complete, effectuate, administer, or enforce customer transactions or transactions between the institution and the business, whether or not the institution or the business also uses the personal information for direct marketing purposes, if that personal information is used solely to market products and services directly to customers with whom both the business and the financial institution have established business relationships as a result of the private label credit card, affinity card, retail installment contract, or cobranded card program.

[Definitions are below in subsection 8.]

(5) (a) The categories of personal information required to be disclosed pursuant to subsection (1)(a) are all of the following:

- (i) name and address;
- (ii) electronic mail address;
- (iii) age or date of birth;
- (iv) names of children;

purchase, rental, lease, or exchange of products, goods, property, or services directly to individuals by means of the mail, telephone, or electronic mail for their personal, family, or household purposes. The sale, rental, exchange, or lease of personal information for consideration to businesses is a direct marketing purpose of the business that sells, rents, exchanges, or obtains consideration for the personal information. "Direct marketing purposes" does not include the use of personal information (A) by bona fide tax exempt charitable or religious organizations to solicit charitable contributions, (B) to raise funds from and communicate with individuals regarding politics and government, (C) by a third party when the third party receives personal information solely as a consequence of having obtained for consideration permanent ownership of accounts that might contain personal information, or (D) by a third party when the third party receives personal information solely as a consequence of a single transaction where, as a part of the transaction, personal information had to be disclosed in order to effectuate the transaction.

(3) "Disclose" means to disclose, release, transfer, disseminate, or otherwise communicate orally, in writing, or by electronic or any other means to any third party.

(4) "Employees who regularly have contact with customers" means employees whose contact with customers is not incidental to their primary employment duties, and whose duties do not predominantly involve ensuring the safety or health of the business's customers. It includes, but is not limited to, employees whose primary employment duties are as cashier, clerk, customer service, sales, or promotion. It does not, by way of example, include employees whose primary employment duties consist of food or beverage preparation or service, maintenance and repair of the business's facilities or equipment, direct involvement in the operation of a motor vehicle, aircraft, watercraft, amusement ride, heavy machinery or similar

(v) electronic mail or other addresses of children;

(vi) number of children;

(vii) the age or gender of children;

(viii) height, weight, race, religion, and occupation;

(ix) telephone number;

(x) education;

(xi) political party affiliation;

(xii) medical condition and drugs, therapies, or medical products or equipment used;

(xiii) the kind of product the customer purchased, leased, or rented;

(xiv) real property purchased, leased, or rented;

(xv) the kind of service provided;

(xvi) social security number;

(xvii) bank account number;

(xviii) credit card number or debit card number;

(xix) bank or investment account, debit card, or credit card balance;

(xx) payment history; and

(xxi) information pertaining to the customer's creditworthiness, assets, income, or liabilities.

(b) If a list, description, or grouping of customer names or addresses is derived using any of the categories in subsection (5)(a) and is disclosed to a third party for direct marketing purposes in a manner that permits the third party to identify, determine, or extrapolate any other personal information from which the list was derived and that personal information, when it was disclosed, identified, described, or was associated with an individual, the categories set forth in subsection (5)(a) that correspond to the personal information used to derive the list, description, or grouping must be considered personal information for purposes of this section.

(6) (a) Disclosures of personal information for direct marketing purposes between affiliated third parties that share the same brand name are exempt from the

equipment, security, or participation in a theatrical, literary, musical, artistic, or athletic performance or contest.

(5) "Established business relationship" means a relationship formed by a voluntary, two-way communication between a business and a customer, with or without an exchange of consideration, for the purpose of purchasing, renting, or leasing real or personal property, or any interest therein, or obtaining a product or service from the business, if the relationship is ongoing and has not been expressly terminated by the business or the customer, or if the relationship is not ongoing, but is solely established by the purchase, rental, or lease of real or personal property from a business, or the purchase of a product or service, and no more than 18 months have elapsed from the date of the purchase, rental, or lease.

(6) (A) The categories of personal information required to be disclosed pursuant to paragraph (1) of subdivision (a) are all of the following:

- (i) Name and address.
- (ii) Electronic mail address.
- (iii) Age or date of birth.
- (iv) Names of children.
- (v) Electronic mail or other addresses of children.
- (vi) Number of children.
- (vii) The age or gender of children.
- (viii) Height.
- (ix) Weight.
- (x) Race.
- (xi) Religion.
- (xii) Occupation.
- (xiii) Telephone number.
- (xiv) Education.
- (xv) Political party affiliation.
- (xvi) Medical condition.
- (xvii) Drugs, therapies, or medical products or equipment used.
- (xviii) The kind of product the customer purchased, leased, or rented.
- (xix) Real property purchased, leased, or rented.
- (xx) The kind of service provided.

requirements of subsection (1)(a) unless the personal information disclosed corresponds to one of the following categories, in which case the customer must be informed of those categories listed in this subsection (6) that correspond to the categories of personal information disclosed for direct marketing purposes and the third-party recipients of personal information disclosed for direct marketing purposes pursuant to subsection (1)(b):

- (i) number of children;
- (ii) the age or gender of children;
- (iii) electronic mail or other addresses of children;
- (iv) height;
- (v) weight;
- (vi) race;
- (vii) religion;
- (viii) telephone number;
- (ix) medical condition;
- (x) drugs, therapies, or medical products or equipment used;
- (xi) social security number;
- (xii) bank account number;
- (xiii) credit card number;
- (xiv) debit card number;
- (xv) bank or investment account, debit card, or credit card balance.

(b) If a list, description, or grouping of customer names or addresses is derived using any of the categories in subsection (6)(a) and is disclosed to a third party or third parties sharing the same brand name for direct marketing purposes in a manner that permits the third party to identify, determine, or extrapolate the personal information from which the list was derived and that personal information, when it was disclosed, identified, described, or was associated with an individual, any other personal information that corresponds to the categories in subsection (6)(a) used to derive the list, description, or grouping must be considered personal information for purposes of this section.



(xxi) Social security number.  
 (xxii) Bank account number.  
 (xxiii) Credit card number.  
 (xxiv) Debit card number.  
 (xxv) Bank or investment account, debit card, or credit card balance.  
 (xxvi) Payment history.  
 (xxvii) Information pertaining to the customer's creditworthiness, assets, income, or liabilities.

(B) If a list, description, or grouping of customer names or addresses is derived using any of these categories, and is disclosed to a third party for direct marketing purposes in a manner that permits the third party to identify, determine, or extrapolate any other personal information from which the list was derived, and that personal information when it was disclosed identified, described, or was associated with an individual, the categories set forth in this subdivision that correspond to the personal information used to derive the list, description, or grouping shall be considered personal information for purposes of this section.

(7) "Personal information" as used in this section means any information that when it was disclosed identified, described, or was able to be associated with an individual and includes all of the following:

- (A) An individual's name and address.
- (B) Electronic mail address.
- (C) Age or date of birth.
- (D) Names of children.
- (E) Electronic mail or other addresses of children.
- (F) Number of children.
- (G) The age or gender of children.
- (H) Height.
- (I) Weight.
- (J) Race.
- (K) Religion.
- (L) Occupation.
- (M) Telephone number.
- (N) Education.
- (O) Political party affiliation.
- (P) Medical condition.

(c) If a business discloses personal information for direct marketing purposes to affiliated third parties that share the same brand name, the business that discloses personal information for direct marketing purposes between affiliated third parties that share the same brand name may comply with the requirements of subsection (1)(b) by providing the overall number of affiliated companies that share the same brand name.

(7) This section does not apply to a financial institution that is subject to Title 32, chapters 1 through 3.

(8) For purposes of this section, the following definitions apply:

(a) "Customer" means an individual who is a resident of Montana who provides personal information to a business during the creation of or throughout the duration of an established business relationship if the business relationship is primarily for personal, family, or household purposes.

(b) (i) "Direct marketing purposes" means the use of personal information to solicit or induce a purchase, rental, lease, or exchange of products, goods, property, or services directly to individuals by means of the mail, telephone, or electronic mail for their personal, family, or household purposes. The sale, rental, exchange, or lease of personal information for consideration to businesses is a direct marketing purpose of the business that sells, rents, exchanges, or obtains consideration for the personal information.

(ii) Direct marketing purposes does not include the use of personal information:

- (A) by bona fide tax-exempt charitable or religious organizations to solicit charitable contributions;
- (B) to raise funds from and communicate with individuals regarding politics and government;
- (C) by a third party when the third party receives personal information solely as a

(Q) Drugs, therapies, or medical products or equipment used.

(R) The kind of product the customer purchased, leased, or rented.

(S) Real property purchased, leased, or rented.

(T) The kind of service provided.

(U) Social security number.

(V) Bank account number.

(W) Credit card number.

(X) Debit card number.

(Y) Bank or investment account, debit card, or credit card balance.

(Z) Payment history.

(AA) Information pertaining to creditworthiness, assets, income, or liabilities.

(8) "Third party" or "third parties" means one or more of the following:

(A) A business that is a separate legal entity from the business that has an established business relationship with a customer.

(B) A business that has access to a database that is shared among businesses, if the business is authorized to use the database for direct marketing purposes, unless the use of the database is exempt from being considered a disclosure for direct marketing purposes pursuant to subdivision (d).

(C) A business not affiliated by a common ownership or common corporate control with the business required to comply with subdivision (a).

(f) (1) Disclosures of personal information for direct marketing purposes between affiliated third parties that share the same brand name are exempt from the requirements of paragraph (1) of subdivision (a) unless the personal information disclosed corresponds to one of the following categories, in which case the customer shall be informed of those categories listed in this subdivision that correspond to the categories of personal information disclosed for direct marketing purposes and the third party recipients of personal information disclosed for direct marketing purposes pursuant to paragraph (2) of subdivision (a):

(A) Number of children.

consequence of having obtained for consideration permanent ownership of accounts that might contain personal information; or

(D) by a third party when the third party receives personal information solely as a consequence of a single transaction when, as a part of the transaction, personal information had to be disclosed in order to effectuate the transaction.

(c) "Disclose" means to disclose, release, transfer, disseminate, or otherwise communicate orally, in writing, or by electronic or any other means to any third party.

(d) "Employees who regularly have contact with customers" means employees whose contact with customers is not incidental to their primary employment duties and whose duties do not predominantly involve ensuring the safety or health of the businesses customers. The term includes but is not limited to employees whose primary employment duties are as cashier, clerk, customer service, sales, or promotion. It does not, by way of example, include employees whose primary employment duties consist of food or beverage preparation or service, maintenance and repair of the business's facilities or equipment, direct involvement in the operation of a motor vehicle, aircraft, watercraft, amusement ride, heavy machinery, or similar equipment, security, or participation in a theatrical, literary, musical, artistic, or athletic performance or contest.

(e) "Established business relationship" means a relationship formed by a voluntary, two-way communication between a business and a customer, with or without an exchange of consideration, for the purpose of purchasing, renting, or leasing real or personal property or any interest in property or obtaining a product or service from the business if the relationship is ongoing and has not been expressly terminated by the business or the customer or, if the relationship is not ongoing but is solely established by the purchase, rental, or lease of real or personal property from a business or the purchase of a product or service, no more than

(B) The age or gender of children.  
 (C) Electronic mail or other addresses of children.  
 (D) Height.  
 (E) Weight.  
 (F) Race.  
 (G) Religion.  
 (H) Telephone number.  
 (I) Medical condition.  
 (J) Drugs, therapies, or medical products or equipment used.  
 (K) Social security number.  
 (L) Bank account number.  
 (M) Credit card number.  
 (N) Debit card number.  
 (O) Bank or investment account, debit card, or credit card balance.

(2) If a list, description, or grouping of customer names or addresses is derived using any of these categories, and is disclosed to a third party or third parties sharing the same brand name for direct marketing purposes in a manner that permits the third party to identify, determine, or extrapolate the personal information from which the list was derived, and that personal information when it was disclosed identified, described, or was associated with an individual, any other personal information that corresponds to the categories set forth in this subdivision used to derive the list, description, or grouping shall be considered personal information for purposes of this section.

(3) If a business discloses personal information for direct marketing purposes to affiliated third parties that share the same brand name, the business that discloses personal information for direct marketing purposes between affiliated third parties that share the same brand name may comply with the requirements of paragraph (2) of subdivision (a) by providing the overall number of affiliated companies that share the same brand name.

(g) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that

18 months have elapsed from the date of the purchase, rental, or lease.

(f) "Personal information" means any information that, when it was disclosed, identified, described, or was able to be associated with an individual and includes all of the following:

- (i) an individual's name and address;
- (ii) electronic mail address;
- (iii) age or date of birth;
- (iv) names of children;
- (v) electronic mail or other addresses of children;
- (vi) number of children;
- (vii) the age or gender of children;
- (viii) height;
- (ix) weight;
- (x) race;
- (xi) religion;
- (xii) occupation;
- (xiii) telephone number;
- (xiv) education;
- (xv) political party affiliation;
- (xvi) medical condition;
- (xvii) drugs, therapies, or medical products or equipment used;
- (xviii) the kind of product the customer purchased, leased, or rented;
- (xix) real property purchased, leased, or rented;
- (xx) the kind of service provided;
- (xxi) social security number;
- (xxii) bank account number;
- (xxiii) credit card number;
- (xxiv) debit card number;
- (xxv) bank or investment account, debit card, or credit card balance;
- (xxvi) payment history; or
- (xxvii) information pertaining to creditworthiness, assets, income, or liabilities.

(g) "Third party" means one or more of the following:

- (i) a business that is a separate legal entity from the business that has an established business relationship with a customer;
- (ii) a business that has access to a

can be given effect without the invalid provision or application.

(h) This section does not apply to a financial institution that is subject to the California Financial Information Privacy Act (Division 1.2 (commencing with Section 4050) of the Financial Code) if the financial institution is in compliance with Sections 4052, 4052.5, 4053, 4053.5, and 4054.6 of the Financial Code, as those sections read when they were chaptered on August 28, 2003, and as subsequently amended by the Legislature or by initiative.

(i) This section shall become operative on January 1, 2005.

**1798.84.** (a) Any waiver of a provision of this title is contrary to public policy and is void and unenforceable.

(b) Any customer injured by a violation of this title may institute a civil action to recover damages.

(c) In addition, for a willful, intentional, or reckless violation of Section 1798.83, a customer may recover a civil penalty not to exceed three thousand dollars (\$3,000) per violation; otherwise, the customer may recover a civil penalty of up to five hundred dollars (\$500) per violation for a violation of Section 1798.83.

(d) Unless the violation is willful, intentional, or reckless, a business that is alleged to have not provided all the information required by subdivision (a) of Section 1798.83, to have provided inaccurate information, failed to provide any of the information required by subdivision (a) of Section 1798.83, or failed to provide information in the time period required by subdivision (b) of Section 1798.83, may assert as a complete defense in any action in law or equity that it thereafter provided regarding the information that was alleged to be untimely, all the information, or accurate information, to all customers who were provided incomplete or inaccurate information, respectively, within 90 days of the date the business knew that it had failed to provide the information, timely

database that is shared among businesses if the business is authorized to use the database for direct marketing purposes, unless the use of the database is exempt from being considered a disclosure for direct marketing purposes pursuant to subsection (4);

(iii) a business not affiliated by a common ownership or common corporate control with the business required to comply with subsection (1).

**NEW SECTION. Section 9. Waiver void -- remedy.** (1) Any waiver of a provision of [sections 4 through 9] is contrary to public policy and is void and unenforceable.

(2) Any customer injured by a violation of [sections 4 through 9] may institute a civil action to recover damages.

(3) In addition, for a willful, intentional, or reckless violation of [section 8], a customer may recover a civil penalty not to exceed \$3,000 for each violation. For other violations, the customer may recover a civil penalty of up to \$500 for each violation of [section 8].

(4) Unless the violation is willful, intentional, or reckless, a business that is alleged to have not provided all the information required by [section 8(1)], to have provided inaccurate information, failed to provide any of the information required by [section 8(1)], or failed to provide information in the time period required by [section 8(2)] may assert as a complete defense in any action in law or equity that it provided the information within 90 days of the date the business knew that it had failed to provide the information, timely information, all the information, or the accurate information, respectively.

(5) Any business that violates, proposes to violate, or has violated [sections 4 through 9] may be enjoined.

(6) A prevailing plaintiff in any action commenced under [section 8] is entitled to recover reasonable attorney fees and costs.

(7) The rights and remedies available under this section are cumulative to each other

information, all the information, or the accurate information, respectively.

(e) Any business that violates, proposes to violate, or has violated this title may be enjoined.

(f) A prevailing plaintiff in any action commenced under Section 1798.83 shall also be entitled to recover his or her reasonable attorney's fees and costs.

(g) The rights and remedies available under this section are cumulative to each other and to any other rights and remedies available under law.

The following are included for background information:

**1798.80.** The following definitions apply to this title:

(a) "Business" means a sole proprietorship, partnership, corporation, association, or other group, however organized and whether or not organized to operate at a profit, including a financial institution organized, chartered, or holding a license or authorization certificate under the law of this state, any other state, the United States, or of any other country, or the parent or the subsidiary of a financial institution. The term includes an entity that destroys records.

(b) "Records" means any material, regardless of the physical form, on which information is recorded or preserved by any means, including in written or spoken words, graphically depicted, printed, or electromagnetically transmitted. "Records" does not include publicly available directories containing information an individual has voluntarily consented to have publicly disseminated or listed, such as name, address, or telephone number.

(c) "Customer" means an individual who provides personal information to a business for the purpose of purchasing or leasing a product or obtaining a service from the business.

(d) "Individual" means a natural person.

(e) "Personal information" means any information that identifies, relates to, describes, or is capable of being associated with, a particular individual, including, but not limited to, his or her name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information.

**1798.81.5.** (a) It is the intent of the Legislature to ensure that personal information about California residents is protected. To that end, the purpose of this section is to encourage businesses that own or license personal information about Californians to provide reasonable security for that information. For the purpose of this section, the phrase "owns or licenses" is intended to include, but is not limited to, personal information that a business retains as part of the business' internal customer account or for the purpose of using that information in transactions with the person to whom the information relates.

(b) A business that owns or licenses personal information about a California resident shall implement and maintain

and to any other rights and remedies available under law.

reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.

(c) A business that discloses personal information about a California resident pursuant to a contract with a nonaffiliated third party shall require by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.

(d) For purposes of this section, the following terms have the following meanings:

(1) "Personal information" means an individual's first name or first initial and his or her last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted or redacted:

(A) Social security number.

(B) Driver's license number or California identification card number.

(C) Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

(D) Medical information.

(2) "Medical information" means any individually identifiable information, in electronic or physical form, regarding the individual's medical history or medical treatment or diagnosis by a health care professional.

(3) "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(e) The provisions of this section do not apply to any of the following:

(1) A provider of health care, health care service plan, or contractor regulated by the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1).

(2) A financial institution as defined in Section 4052 of the Financial Code and subject to the California Financial Information Privacy Act (Division 1.2 (commencing with Section 4050) of the Financial Code.

(3) A covered entity governed by the medical privacy and security rules issued by the federal Department of Health and Human Services, Parts 160 and 164 of Title 45 of the Code of Federal Regulations, established pursuant to the Health Insurance Portability and Availability Act of 1996 (HIPAA).

(4) An entity that obtains information under an agreement pursuant to Article 3 (commencing with Section 1800) of Chapter 1 of Division 2 of the Vehicle Code and is subject to the confidentiality requirements of the Vehicle Code.

(5) A business that is regulated by state or federal law providing greater protection to personal information than that provided by this section in regard to the subjects addressed by this section. Compliance with that state or federal law shall be deemed compliance with this section with regard to those subjects. This paragraph does not relieve a business from a duty to comply with any other requirements of other state and federal law regarding the protection and privacy of personal information.