

## **Annotated Code of Maryland**

### **Title 14 – Miscellaneous Consumer Protection Provisions**

#### **Subtitle 35 – Maryland Personal Information Protection Act**

#### **§ 14-3504. Security breach**

(a) "Breach of the security of a system" defined. -- In this section:

(1) "Breach of the security of a system" means the unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of the personal information maintained by a business; and

(2) "Breach of the security of a system" does not include the good faith acquisition of personal information by an employee or agent of a business for the purposes of the business, provided that the personal information is not used or subject to further unauthorized disclosure.

(b) Business owns or licenses personal data -- Investigation of breach. --

(1) A business that owns or licenses computerized data that includes personal information of an individual residing in the State, when it discovers or is notified of a breach of the security of a system, shall conduct in good faith a reasonable and prompt investigation to determine the likelihood that personal information of the individual has been or will be misused as a result of the breach.

(2) If, after the investigation is concluded, the business determines that misuse of the individual's personal information has occurred or is reasonably likely to occur as a result of a breach of the security of a system, the business shall notify the individual of the breach.

(3) Except as provided in subsection (d) of this section, the notification required under paragraph (2) of this subsection shall be given as soon as reasonably practicable after the business conducts the investigation required under paragraph (1) of this subsection.

(4) If after the investigation required under paragraph (1) of this subsection is concluded, the business determines that notification under paragraph (2) of this subsection is not required, the business shall maintain records that reflect its determination for 3 years after the determination is made.

(c) Business maintains personal data -- Notification of breach. --

(1) A business that maintains computerized data that includes personal information that the business does not own or license shall notify the owner or licensee of the personal information of a breach of the security of a system if it is likely that the breach has resulted or will result in the misuse of personal information of an individual residing in the State.

(2) Except as provided in subsection (d) of this section, the notification required under paragraph (1) of this subsection shall be given as soon as reasonably practicable after the business discovers or is notified of the breach of the security of a system.

(3) A business that is required to notify an owner or licensee of personal information of a breach of the security of a system under paragraph (1) of this subsection shall share with the owner or licensee information relative to the breach.

(d) Delay of notification required under subsections (b) and (c). --

(1) The notification required under subsections (b) and (c) of this section may be delayed:

(i) If a law enforcement agency determines that the notification will impede a criminal investigation or jeopardize homeland or national security; or

(ii) To determine the scope of the breach of the security of a system, identify the individuals affected, or restore the integrity of the system.

(2) If notification is delayed under paragraph (1)(i) of this subsection, notification shall be given as soon as reasonably practicable after the law enforcement agency determines that it will not impede a criminal investigation and will not jeopardize homeland or national security.

(e) Methods of giving notification required under subsections (b) and (c). -- The notification required under subsections (b) and (c) of this section may be given:

(1) By written notice sent to the most recent address of the individual in the records of the business;

(2) By electronic mail to the most recent electronic mail address of the individual in the records of the business, if:

(i) The individual has expressly consented to receive electronic notice; or

(ii) The business conducts its business primarily through Internet account transactions or the Internet;

(3) By telephonic notice, to the most recent telephone number of the individual in the records of the business; or

(4) By substitute notice as provided in subsection (f) of this section, if:

(i) The business demonstrates that the cost of providing notice would exceed \$ 100,000 or that the affected class of individuals to be notified exceeds 175,000; or

(ii) The business does not have sufficient contact information to give notice in accordance with item (1), (2), or (3) of this subsection.

(f) Substitute notice. -- Substitute notice under subsection (e)(4) of this section shall consist of:

(1) Electronically mailing the notice to an individual entitled to notification under subsection (b) of this section, if the business has an electronic mail address for the individual to be notified;

(2) Conspicuous posting of the notice on the website of the business, if the business maintains a website; and

(3) Notification to statewide media.

(g) Contents of notification required under subsection (b). -- The notification required under subsection (b) of this section shall include:

(1) To the extent possible, a description of the categories of information that were, or are reasonably believed to have been, acquired by an unauthorized person, including which of the elements of personal information were, or are reasonably believed to have been, acquired;

(2) Contact information for the business making the notification, including the business' address, telephone number, and toll-free telephone number if one is maintained;

(3) The toll-free telephone numbers and addresses for the major consumer reporting agencies; and

(4) (i) The toll-free telephone numbers, addresses, and website addresses for:

1. The Federal Trade Commission; and

2. The Office of the Attorney General; and

(ii) A statement that an individual can obtain information from these sources about steps the individual can take to avoid identity theft.

(h) Notification to Office of the Attorney General. -- Prior to giving the notification required under subsection (b) of this section and subject to subsection (d) of this section, a business shall provide notice of a breach of the security of a system to the Office of the Attorney General.

(i) Waiver. -- A waiver of any provision of this section is contrary to public policy and is void and unenforceable.

(j) Compliance with other requirements of federal law. -- Compliance with this section does not relieve a business from a duty to comply with any other requirements of federal law relating to the protection and privacy of personal information.

#### **§ 14-3506. Notification to credit reporting agencies**

(a) Breach involving 1,000 or more individuals. -- If a business is required under § 14-3504 of this subtitle to give notice of a breach of the security of a system to 1,000 or more individuals, the business also shall notify, without unreasonable delay, each consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, as defined by *15 U.S.C. § 1681a(p)*, of the timing, distribution, and content of the notices.

(b) Inclusion of names not required. -- This section does not require the inclusion of the names or other personal identifying information of recipients of notices of the breach of the security of a system.

#### **§ 14-3507. Compliance with subtitle**

(a) "Affiliate" defined. -- In this section, "affiliate" means a company that controls, is controlled by, or is under common control with a business described in subsection (c)(1) of this section.

(b) Requirements of federal or State regulator. -- A business that complies with the requirements for notification procedures, the protection or security of personal information, or the destruction of personal information under the rules, regulations, procedures, or guidelines established by the primary or functional federal or State regulator of the business shall be deemed to be in compliance with this subtitle.

(c) Compliance with other federal laws. --

(1) A business that is subject to and in compliance with § 501(b) of the federal Gramm-Leach-Bliley Act, *15 U.S.C. § 680I*, § 216 of the federal Fair and Accurate Transactions Act, *15 U.S.C. § 1681w*, the federal Interagency Guidelines Establishing Information Security Standards, and the federal Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice, and any revisions, additions, or substitutions, shall be deemed to be in compliance with this subtitle.

(2) An affiliate that complies with § 501(b) of the federal Gramm-Leach-Bliley Act, *15 U.S.C. § 680I*, § 216 of the federal Fair and Accurate Transactions Act, *15 U.S.C. § 1681w*, the federal Interagency Guidelines Establishing Information Security Standards, and the federal Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice, and any revisions, additions, or substitutions, shall be deemed to be in compliance with this subtitle.

#### **§ 14-3508. Violations; penalties**

A violation of this subtitle:

- (1) Is an unfair or deceptive trade practice within the meaning of Title 13 of this article; and
- (2) Is subject to the enforcement and penalty provisions contained in Title 13 of this article.