

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1233

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1233.

As amended, this bill requires any person, corporation, association, partnership or other legal entity that owns or licenses personal information about a resident of this State to develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are necessary to protect the personal information. The definition of “person” means a natural person, corporation, association, partnership or other legal entity, other than an agency, department, board, commission, bureau, division or authority of the State or any political subdivision thereof. It also includes, but is not limited to, a financial service firm, investment firm, and digital asset business. “Person” does not include certain insured depository institutions, insured credit unions, and financial institutions or affiliates of a financial institution.

The bill provides that it would be an unlawful practice under the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), to willfully, knowingly or recklessly violate the provisions of the bill. An unlawful practice is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. Additionally, a violation can result in cease and desist orders issued by the Attorney General, the assessment of punitive damages, and the awarding of treble damages and costs to those injured as a result of the violation.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify that certain entities are included within the definition of “person”; and

(2) exclude certain insured depository institutions, insured credit unions, and financial institutions and affiliates from the provisions of the bill.