

Amendment No. 982

Senate Amendment to Senate Bill No. 538

(BDR 52-1216)

Proposed by: Senate Committee on Commerce, Labor and Energy**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AAK/BJF



Date: 5/26/2017

S.B. No. 538—Adopts provisions to protect Internet privacy. (BDR 52-1216)



EMERGENCY REQUEST OF SENATE MAJORITY LEADER

SENATE BILL NO. 538—SENATOR FORD

MAY 11, 2017

JOINT SPONSOR: ASSEMBLYMAN FRIERSON

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Adopts provisions to protect Internet privacy. (BDR 52-1216)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to Internet privacy; requiring ~~the operator~~ *certain operators* of ~~an~~ Internet ~~website~~ *websites* or online ~~service~~ *services* which ~~collects~~ *collect* certain information from residents of this State to provide notice of certain provisions relating to the privacy of the information collected by the operator; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a data collector that maintains records which contain personal information of a resident of this State to implement and maintain reasonable security measures to protect such records. (NRS 603A.210) **Section 5** of this bill defines an “operator” as a person who: (1) owns or operates an Internet website or online service for commercial purposes; (2) collects certain information from consumers who reside in this State and use or visit the Internet website or online service; and (3) has certain minimum contacts with this State. **Section 6** of this bill requires ~~an operator~~ *certain operators* to make available a notice containing certain information relating to the privacy of covered information about consumers which is collected by the operator through its Internet website or online service. **Section 6 excludes from this requirement an operator who: (1) is located in this State; (2) derives its revenue primarily from a source other than online sales; and (3) whose Internet website or online service has fewer than 20,000 unique visitors per year.** **Section 6** also allows an operator to remedy any failure relating to making such a notice available within 30 days after being informed of the failure. **Section 7** of this bill prohibits an operator from knowingly and willfully failing to remedy such a failure within 30 days after being informed or making a *knowing and* material misrepresentation or omission in such a notice that is likely to mislead a consumer to the detriment of the consumer. **Section 8** of this bill authorizes the Attorney General to seek an injunction or a civil penalty against an operator who engages in such an act.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 603A of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 2 to 8, inclusive, of this act.

3 **Sec. 2.** *As used in sections 2 to 8, inclusive, of this act, unless the context*
4 *otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act*
5 *have the meanings ascribed to them in those sections.*

6 **Sec. 3.** *“Consumer” means a person who seeks or acquires, by purchase or*
7 *lease, any good, service, money or credit for personal, family or household*
8 *purposes from the Internet website or online service of an operator.*

9 **Sec. 4.** *“Covered information” means any one or more of the following*
10 *items of personally identifiable information about a consumer collected by an*
11 *operator through an Internet website or online service and maintained by the*
12 *operator in an accessible form ; ~~including, without limitation,~~*

- 13 1. *A first and last name.*
- 14 2. *A home or other physical address which includes the name of a street*
15 *and the name of a city or town.*
- 16 3. *An electronic mail address.*
- 17 4. *A telephone number.*
- 18 5. *A social security number.*
- 19 6. *An identifier that allows a specific person to be contacted either*
20 *physically or online.*

21 7. ~~Information~~ *Any other information concerning a person collected from*
22 *the person through the Internet website or online service of the operator and*
23 *maintained by the operator in combination with an identifier in a form that*
24 *makes the information personally identifiable.*

25 **Sec. 5.** 1. *“Operator” means a person who:*

- 26 (a) *Owns or operates an Internet website or online service for commercial*
27 *purposes;*
- 28 (b) *Collects and maintains covered information from consumers who reside*
29 *in this State and use or visit the Internet website or online service; and*
- 30 (c) *Purposefully directs its activities toward this State, consummates some*
31 *transaction with this State or a resident thereof or purposefully avails itself of the*
32 *privilege of conducting activities in this State.*

33 2. *The term does not include a third party that operates, hosts or manages*
34 *an Internet website or online service on behalf of its owner or processes*
35 *information on behalf of the owner of an Internet website or online service.*

36 **Sec. 6.** 1. ~~Any~~ *Except as otherwise provided in subsection 3, an operator*
37 *shall make available, in a manner reasonably calculated to be accessible by*
38 *consumers whose covered information the operator collects through its Internet*
39 *website or online service, a notice that:*

40 (a) *Identifies the categories of covered information that the operator collects*
41 *through its Internet website or online service about consumers who use or visit*
42 *the Internet website or online service and the categories of third parties with*
43 *whom the operator may share such covered information;*

44 (b) *Provides a description of the process, if any such process exists, for an*
45 *individual consumer who uses or visits the Internet website or online service to*
46 *review and request changes to any of his or her covered information that is*
47 *collected through the Internet website or online service;*

(c) Describes the process by which the operator notifies consumers who use or visit the Internet website or online service of material changes to the notice required to be made available by this subsection;

(d) Discloses whether a third party may collect covered information about an individual consumer's online activities over time and across different Internet websites or online services when the consumer uses the Internet website or online service of the operator; and

(e) States the effective date of the notice.

2. An operator may remedy any failure to comply with the provisions of subsection 1 within 30 days after being informed of such a failure.

3. The provisions of subsection 1 do not apply to an operator:

(a) Who is located in this State;

(b) Whose revenue is derived primarily from a source other than the sale or lease of goods, services or credit on Internet websites or online services; and

(c) Whose Internet website or online service has fewer than 20,000 unique visitors per year.

Sec. 7. An operator violates section 6 of this act if the operator:

1. Knowingly and willfully fails to remedy a failure to comply with the provisions of subsection 1 of that section within 30 days after being informed of such a failure; or

2. Makes available a notice pursuant to that section which contains information which constitutes a knowing and material misrepresentation or omission that is likely to mislead a consumer acting reasonably under the circumstances, to the detriment of the consumer.

Sec. 8. 1. The Attorney General shall enforce the provisions of sections 2 to 8, inclusive, of this act.

2. If the Attorney General has reason to believe that an operator, either directly or indirectly, has violated ~~or is violating~~ for is about to violate section 6 of this act, the Attorney General may institute an appropriate legal proceeding against the operator. The district court, upon a showing that the operator, either directly or indirectly, has violated ~~or is violating~~ for is about to violate section 6 of this act, may:

(a) Issue a temporary or permanent injunction; or

(b) Impose a civil penalty not to exceed \$5,000 for each violation.

3. The provisions of sections 2 to 8, inclusive, of this act do not establish a private right of action against an operator.

4. The provisions of sections 2 to 8, inclusive, of this act are not exclusive and are in addition to any other remedies provided by law.

Sec. 9. NRS 603A.010 is hereby amended to read as follows:

603A.010 As used in ~~this chapter,~~ NRS 603A.010 to 603A.920, inclusive, unless the context otherwise requires, the words and terms defined in NRS 603A.020, 603A.030 and 603A.040 have the meanings ascribed to them in those sections.

Sec. 10. NRS 603A.100 is hereby amended to read as follows:

603A.100 1. The provisions of ~~this chapter,~~ NRS 603A.010 to 603A.920, inclusive, do not apply to the maintenance or transmittal of information in accordance with NRS 439.581 to 439.595, inclusive, and the regulations adopted pursuant thereto.

2. A data collector who is also an operator, as defined in section 5 of this act, shall comply with the provisions of sections 2 to 8, inclusive, of this act.

3. Any waiver of the provisions of ~~this chapter,~~ NRS 603A.010 to 603A.920, inclusive, is contrary to public policy, void and unenforceable.

1 **Sec. 11.** NRS 603A.920 is hereby amended to read as follows:

2 603A.920 If the Attorney General or a district attorney of any county has
3 reason to believe that any person is violating, proposes to violate or has violated the
4 provisions of ~~this chapter,~~ **NRS 603A.010 to 603A.920, inclusive**, the Attorney
5 General or district attorney may bring an action against that person to obtain a
6 temporary or permanent injunction against the violation.

7 **Sec. 12.** NRS 122.0615 is hereby amended to read as follows:

8 122.0615 1. In each county whose population is 100,000 or more but less
9 than 700,000, in which a commercial wedding chapel has been in business for 5
10 years or more, the board of county commissioners shall:

11 (a) Ensure that an office where marriage licenses may be issued is open to the
12 public for the purpose of issuing such licenses from 8 a.m. to 12 a.m. every day,
13 including holidays; or

14 (b) Provide for the establishment of a program whereby a commercial wedding
15 chapel that has been in business in the county for 5 years or more is authorized to
16 issue marriage licenses to qualified applicants during the hours when an office
17 where marriage licenses may be issued pursuant to paragraph (a) is not open to the
18 public.

19 2. In each county whose population is less than 100,000, in which a
20 commercial wedding chapel has been in business in the county for 5 years or more,
21 the board of county commissioners may provide for the establishment of a program
22 whereby a commercial wedding chapel that has been in business in the county for 5
23 years or more is authorized to issue marriage licenses to qualified applicants during
24 the hours when an office where marriage licenses may be issued is not open to the
25 public.

26 3. Except as otherwise provided in subsection 4, a program established
27 pursuant to subsection 1 or 2 must authorize each commercial wedding chapel that
28 has been in business in the county for 5 years or more to begin issuing marriage
29 licenses upon filing with the county clerk a completed registration form prescribed
30 by the board of county commissioners, along with a performance bond in the
31 amount of \$50,000. The performance bond must be conditioned upon the faithful
32 performance of all statutory duties related to the issuance of marriage licenses and
33 compliance with the provisions of ~~chapter 603A of~~ **NRS 603A.010 to 603A.920,**
34 **inclusive**, that ensure the security of personal information submitted by applicants
35 for a marriage license.

36 4. A commercial wedding chapel shall refer any application for a marriage
37 license that includes the signature of a guardian for a minor applicant to the county
38 clerk for review and issuance of the marriage license pursuant to NRS 122.040.

39 5. The county clerk of the county in which a commercial wedding chapel that
40 issues marriage licenses pursuant to this section is located shall provide to the
41 commercial wedding chapel, without charge, any materials necessary for the
42 commercial wedding chapel to issue marriage licenses. The number of marriage
43 licenses that the commercial wedding chapel may issue must not be limited.

44 6. A commercial wedding chapel that issues marriage licenses pursuant to this
45 section shall comply with all statutory provisions governing the issuance of
46 marriage licenses in the same manner as the county clerk is required to comply, and
47 shall:

48 (a) File the original application for a marriage license with the county clerk on
49 the first available business day after completion of the application;

50 (b) Collect from an applicant for a marriage license all fees required by law to
51 be collected; and

52 (c) Remit all fees collected to the county clerk, in the manner required by the
53 standard of practice adopted by the county clerk.

1 7. The records of a commercial wedding chapel that issues marriage licenses
2 pursuant to this section which pertain to the issuance of a marriage license are
3 public records and must be made available for public inspection at reasonable
4 times. Such a commercial wedding chapel shall comply with the provisions of
5 ~~chapter 603A of~~ NRS *603A.010 to 603A.920, inclusive*, in the same manner as all
6 other data collectors to ensure the security of all personal information submitted by
7 applicants for a marriage license.

8 8. The persons to whom a commercial wedding chapel issues a marriage
9 license may not be joined in marriage in any county other than the county in which
10 the marriage license is issued.

11 9. A commercial wedding chapel that violates any provision of this section is
12 guilty of a misdemeanor.

13 Sec. 13. ~~{This act becomes effective on July 1, 2017.}~~ (Deleted by
14 amendment.)