House Bill 5693

(As amended June 2, 1998)

A bill to regulate the storage, processing, and release of certain information by persons entrusted with data from the state or from a local unit of government.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Government data" means information gathered by the

3 state or a local unit of government and transferred or entrusted

4 to a person by electronic, print, digital, or other means [solely

5 for storage or processing on behalf of the state or local unit of
government.]

6   (b) "Local unit of government" means a city, village,

7 county, or township in this state.

8   (c) "Person" means an individual, partnership, corporation,

9 association, limited liability company, or other legal entity [, but
does not include an official described in section 4].

1   (d) "Third party" means a person other than the person to

2 whom the state or a local unit of government has transferred

3 government data for storage or processing.

4   Sec. 2. (1) A person entrusted with government data for

5 storage or processing shall not disclose the contents of that

6 data to a third party unless the person obtains written authori-

7 zation for the disclosure from the state or the local unit of

8 government from which the data originated.

9   (2) A person authorized to disclose government data under

10 subsection (1) shall maintain a written record of all of the fol-

11 lowing for a period of 3 years after the disclosure:

12   (a) The identity of the person to whom the disclosure was

13 made.

14   (b) The contents of the disclosed data.

15   (c) The date of the disclosure.

16   (3) A person who maintains a written record under subsection

17 (2) shall provide a copy of that written record to the state or

18 affected local unit of government upon the request of the state

19 or local unit of government.

20   Sec. 3. A person shall not store or process government data

21 unless that person has posted a surety bond in the amount of

22 $200,000.00 payable to the state or the local unit of government

23 that provides the person with the government data. The surety

24 bond shall remain in effect during any period that the person

25 stores, processes, or maintains the government data, and shall

26 specify that, upon the person's violation of this act, the bond

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1 amount is to be paid to the state or local unit of government

2 affected by the violation.

　　　[Sec. 4. This act does not apply to an official of this state
or of a local unit of government who is entrusted with government
data in the performance of his or her official duties.]

HB5693

, As Passed House, June 3, 1998