

California Legislation To Protect Consumer Data Overseas

By Karl Schoenberger
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A bill that would protect the privacy of personal medical and financial information when it is processed overseas in an offshoring contract was approved by the Legislature and has been sent to the governor's desk, the author of the legislation has announced.

State Sen. Liz Figueroa, D-Fremont, on Tuesday said her bill -- [SB 1451](#) -- provides that a stringent, existing California law protecting consumer privacy in the state would apply to anyone who has access to such confidential information no matter where they are located.

"This bill should be a model of how a state can deal with outsourcing," Figueroa said in a news release. "If the governor signs SB 1451 into law, no California customer will have to give up their legal rights and protections just because the company they are doing business with decides to participate in the global economy."


The bill was originally part of a package of three offshoring-related bills introduced by Figueroa in the current legislative session.

One bill that would bar offshore outsourcing of state service contracts was combined with a similar Assembly bill that was passed by the Senate on Monday. A third Figueroa bill, SB 1453, which would require companies to give notice before outsourcing the work of more than 20 California jobs, died during committee deliberations, a spokeswoman for the senator said.

The California Chamber of Commerce, which has taken an active role in lobbying against anti-offshoring legislation, took Figueroa's privacy legislation off its list of what it considers "job killer bills" after determining that compliance would not impose undue burdens on California businesses.

SB 1451 won legislative approval with bipartisan support, Figueroa said, making the measure more palatable for Republican Gov. Arnold Schwarzenegger to sign.
California Jurisdiction

The Senate approved the final version of the bill Monday by a vote of 25-10, with two Republicans supporting the measure. The legislation provides that consumers can seek damages in California courts for any violation of the state's privacy laws.

"That's only fair," Figueroa said. "No one should be able to avoid responsibility for violating California law just because they're in another country. If they violate our privacy, it will be our courts that make sure they are brought to justice." 

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