



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

MINUTES OF THE COMMITTEE
ON
FINANCIAL SERVICES

Wednesday, November 28, 2018

10:30 a.m.

Room 307 House Office
Building

The House Standing Committee on Financial Services was called to order by the Chair.

Chairwoman Farrington requested attendance be called to establish a quorum of the appointed committee members:

Members present: Reps. Farrington, Graves, McCready, Lilly, VanderWall, Gay-Dagnogo, Zemke, Clemente and Green.

Members absent/excused: None

Representative McCready moved to adopt the September 26th, 2018, minutes. There being no objection, the motion prevailed by unanimous consent.

The Chair laid the following bills before the committee:

HB 6405 (Farrington) Consumer protection; other; data breach notification act; enact.

HB 6406 (Graves) Consumer protection; other; enactment of data breach notification act; make conforming changes to identity theft protection act.

Dan Papineau, representing the Michigan Chamber of Commerce, testified in opposition to the bills.

Chrissy Siders, representing the CP Federal Credit Union, testified in support of the bills.

Dave Worthams, representing the Michigan Bankers Association, testified in support of the bills. Questions and discussion followed.

The Chair laid the committee at ease at 10:59 a.m.

The Chair reconvened the committee at 11:00 a.m.

Patricia Campbell, representing the Christian Financial Credit Union, testified in support of the bills. Questions and discussion followed.

The following individuals submitted a card in support of the package of bills, but did not wish to speak:

Rob Anderson, representing the Michigan Farm Bureau.
Haleigh Krombeen, representing the Michigan Credit Union League.
Martha Fuerstenau, representing the American 1 Credit Union.
Robert Johnson, representing the Michigan State Federal Credit Union.

The following individuals submitted a card in opposition to the package of bills, but did not wish to speak:

Robert O'Meara, representing the Michigan Restaurant and Lodging Association.
Alexa Kramer, representing the Grand Rapids Chamber of Commerce.
Brian O'Conroll, representing General Motors.
Jason Puscas, representing the Detroit Regional Chamber of Commerce.
Amanda Fisher, representing National Federation of Independent Business.

The Chair laid the committee at ease at 11:15 a.m.
The Chair reconvened the committee at 11:21 a.m.

Representative Farrington offered the following amendments to House Bill No. 6405:

1. Amend page 12, line 12, after "act." by striking out the balance of the subsection.
2. Amend page 12, line 21, after "this" by striking out "subsection" and inserting "section".

Representative Farrington discussed the proposed amendments before the committee.

Representative Graves moved to amend **House Bill No. 6405**. The motion prevailed **9-0-0**.

FAVORABLE ROLL CALL

Yeas: Reps. Farrington, Graves, McCreedy, Lilly, VanderWall, Gay-Dagnogo, Zemke, Clemente and Green.
Nays: None.
Pass: None.

Representative Lilly offered the following amendments to House Bill No. 6405:

1. Amend page 10, line 19, after the second "the" by striking out "attorney general" and inserting "department of technology, management, and budget".
2. Amend page 10, line 24, after "the" by striking out "attorney general" and inserting "department of technology, management, and budget".
3. Amend page 11, line 8, after "the" by striking out "attorney general" and inserting "department of technology, management, and budget".
4. Amend page 11, line 11, by striking out "attorney general" and inserting "department of technology, management, and budget".
5. Amend page 15, line 2, after the second "the" by striking out "attorney general" and inserting "department of technology, management, and budget".

Representative Lilly discussed the proposed amendments before the committee.

Representative McCready moved to amend **House Bill No. 6405**. The motion prevailed **9-0-0**.

FAVORABLE ROLL CALL

Yeas: Reps. Farrington, Graves, McCready, Lilly, VanderWall, Gay-Dagnogo, Zemke, Clemente and Green.

Nays: None.

Pass: None.

Representative Lilly offered the following amendment to House Bill No. 6405:

1. Amend page 15, following line 7, by inserting:
"An entity that owns, is owned by, or is under common ownership with an entity described in subsection (1), (2), or (3) and that maintains the same cybersecurity procedures as that other entity is exempt from this act."

Representative Lilly discussed the proposed amendment before the committee.

Representative McCready moved to amend **House Bill No. 6405**. The motion prevailed **9-0-0**.

FAVORABLE ROLL CALL

Yeas: Reps. Farrington, Graves, McCready, Lilly, VanderWall, Gay-Dagnogo, Zemke, Clemente and Green.

Nays: None.

Pass: None.

Representative Zemke offered the following amendment to House Bill No. 6405:

1. Amend page 15, line 10, after "unless" by striking out the balance of the enacting section and inserting "all of the following bills of the 99th Legislature are enacted into law:
(a) House Bill No. 6406.
(b) House Bill No. 6491.

Representative Zemke discussed the proposed amendment before the committee.

Representative Zemke moved to amend **House Bill No. 6405**. The motion prevailed **9-0-0**.

FAVORABLE ROLL CALL

Yeas: Reps. Farrington, Graves, McCready, Lilly, VanderWall, Gay-Dagnogo, Zemke, Clemente and Green.

Nays: None.

Pass: None.

Representative Gay-Dagnogo discussed the bills.

Representative Farris discussed the bills.

Representative Zemke moved to report **House Bill No. 6405** with recommendation, as amended, as substitute (**H-1**). The motion prevailed **6-0-3**.

FAVORABLE ROLL CALL

Yeas: Reps. Farrington, Graves, McCready, Lilly, VanderWall and Zemke.

Nays: None.

Pass: Reps. Gay-Dagnogo, Clemente and Green.

Representative VanderWall moved to report **House Bill 6406** with recommendation. The motion prevailed **7-0-2**.

FAVORABLE ROLL CALL

Yeas: Reps. Farrington, Graves, McCready, Lilly, VanderWall and Gay-Dagnogo, and Zemke.

Nays: None.

Pass: Reps. Clemente and Green.

There being no further business before the committee, the Chair adjourned the meeting at 11:41 a.m.

Representative Diana Farrington, Chair_____

Sondra Gordon, Committee Clerk
House Financial Services Committee
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