

FEB 22 2000

COMMERCE AND REGULATION

HOUSE FILE
BY DODERER

2384

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the privacy of personal financial information
2 and relating to the deferred compensation program for
3 governmental employees and disclosures by financial
4 institutions and making penalties applicable.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2384

1 Section 1. Section 509A.12, Code 1999, is amended to read
2 as follows:

3 509A.12 DEFERRED COMPENSATION PROGRAM FOR GOVERNMENTAL
4 EMPLOYEES.

5 A governing body, county board of supervisors, or other
6 public entity, to the extent allowed by law, may establish a
7 deferred compensation program under this section. The
8 contributions made on behalf of an employee who chooses to
9 participate in the program shall be invested at the direction
10 of the employee in a life insurance contract, annuity
11 contract, mutual fund, security, or any other deferred payment
12 contract offered as an investment option under the program.
13 The contract acquired for an employee shall be in accordance
14 with the plan document and shall be acquired from a company,
15 or a salesperson for that company, that is authorized to do
16 business in this state. When the state of Iowa acquires an
17 investment product pursuant to the plan document the state
18 does not become a shareholder, stockholder, or owner of a
19 corporation in violation of Article VIII, section 3, of the
20 Constitution of the State of Iowa or any other provision of
21 law.

22 This section is in addition to any benefit program provided
23 by law for employees of the state or its political
24 subdivisions.

25 A deferred compensation program established under this
26 section shall provide that information on investment options
27 selected and amounts deferred by an employee who participates
28 in the program shall be considered a confidential public
29 record pursuant to chapter 22.

30 Sec. 2. Section 714.16, subsection 2, Code 1999, is
31 amended by adding the following new paragraph:

32 NEW PARAGRAPH. n. It is an unlawful practice for a
33 financial institution, as defined in section 421.17A, to
34 disclose personal financial information obtained from a person
35 unless the disclosure is required by law or otherwise

1 necessary to perform the duties of the financial institution
2 relating to the purpose for which the information was obtained
3 from a person unless the person consents, in writing, to the
4 disclosure. For purposes of this paragraph, "personal
5 financial information" includes financial information obtained
6 by a financial institution from a person including, but not
7 limited to, the person's name, salary information, social
8 security number, telephone number, accounts with financial
9 institutions, credit card numbers and credit card limits, and
10 account balances.

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EXPLANATION

12 This bill concerns the disclosure of personal financial
13 information to others.

14 Code section 509A.12, concerning deferred compensation
15 programs for government employees, is amended to provide that
16 information on investment options selected by participants and
17 amounts deferred by participants shall be considered a
18 confidential public record pursuant to Code chapter 22.

19 Code section 714.16, concerning consumer frauds, is amended
20 to provide that it shall be an unlawful practice for a
21 financial institution to disclose personal financial
22 information obtained from a person unless the disclosure is
23 required by law or necessary, or the person consents to the
24 disclosure in writing. The enforcement procedures and
25 applicable civil penalties relating to consumer frauds under
26 Code section 714.16 apply to a violation of this portion of
27 the bill.

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