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## MEMORANDUM

**TO:** Members of the Senate Committee on Finance, Insurance, and Consumer Protection

**FROM:** Tim Sowton, Business Leaders for Michigan  
Brian Shoaf, Detroit Regional Chamber  
Joshua Lungert, Grand Rapids Chamber  
Kurt Berryman, Michigan Automobile Dealers Association  
Wendy Block, Michigan Chamber of Commerce  
David Q. Worthams, Michigan Manufacturers Association  
Andrew Beardslee, Michigan Retailers Association  
Tim Langholz, NFIB-Michigan  
Kelli Saunders, Small Business Association of Michigan

**DATE:** June 11, 2025

**Re:** Business Community Opposition to Senate Bills 360-364

We write to you to share our collective concerns regarding Senate Bills 360-364, legislation that will make dramatic changes to Michigan's Identity Theft Protection Act (PA 452 of 2004). We have several areas of concern that have been identified, including the following applicable to Senate Bill 360:

- *Sec. 3 –*
  - *Definition of “person” and “data” –* We believe amending these definitions to reflect the fact that certain industries must already comply with comprehensive state and federal data privacy regulations. Avoiding overlapping mandates is an issue worth serious consideration.
  - *Definition of personal information –* Page 6, lines 11-14, including the phrase: “Any individually identifiable information contained in the individual’s current or historical record of medical history, medical treatment, or diagnosis created by a

*health are professional*”, a part of the definition of personal information is too broad and will lead to difficulties to ensure compliance with the Act.

- *Sec. 11a* –
  - *Description of new security procedures/standards* – The bill establishes vague standards companies must use and implement for data security.
  - Page 8, lines 18-29 – Use of the phrase: “*Reasonable security procedures*” is poorly defined and left to the subjective decision of the Attorney General or the Courts who must take into consideration variables such as the size of the company, the amount of information collected/owned, the type of activities the information is used for and the cost to implement security procedures. Without clarity on what is “*reasonable*”, it is hard to imagine how any business will be able to comply with the Act moving forward. Further, given the scale and size of a data network, it might not be possible to assess the entirety of a company’s system, especially if a third-party agency is involved. We acknowledge that the bill sponsor attempts to define “*reasonable*” on Page 9, line 10 – 19. However, the effort only muddies the water even more by amplifying the level of subjectivity in the Act.
  - Page 9, lines 2 – 6 – *Third Party Service Providers*. Mandating that a company is to contractually require each third-party service provider to maintain an appropriate security system may be unenforceable and, at the least, lacks the flexibility necessary to enforce such contract language.
  
- *Sec. 12* –
  - *Changes to Notification Requirements* – There are several considerable changes made to the Act’s notification requirements that are concerning and take Michigan out of alignment with practices in most other states. For example, at page 12, lines 9-11, the bill will require notification when 100 or more residents of the state are impacted. Most other states require a notice be given to their attorneys general when 250 – 500 residents have been impacted by a breach.
  - Page 16, lines 11-12 - Credit monitoring for 24 months is outside of the 12-month standard found in other states.
  
- *Secs. 20, 20a, 20b, 20c* –
  - *Expansion of Attorney General Powers* – Pages 20-26. While we appreciate the desire of the Attorney General to enhance their ability to enforce the Act, the new powers and excessive penalties included in these new sections are untenable and will have a significant negative impact on Michigan’s ability to compete for potential business expansions or attract new business opportunities.

We urge the committee to closely review the language of this bill and to work with the business associations included in this letter to find a path to balance both the protection of Michigan’s customers and the ability of businesses to comply with this Act while competing for growth in the state.

Thank you for your consideration of our concerns. Please contact any of the individuals in this memo with questions.