



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 654** HLS 20RS 451
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 8, 2020 12:17 PM **Author:** JORDAN
Dept./Agy.: Statewide **Analyst:** Alan M. Boxberger
Subject: Provides relative to protection of personal information

PRIVACY/COMPUTERS OR +\$304,137 GF EX See Note Page 1 of 1
 Provides relative to the protection of personally identifiable information

Proposed law prohibits a person from using any public record containing personally identifiable information of a resident of the state to market or solicit the sale of products or services without the resident's consent; requires affirmative consent by the resident by electronic or paper notification to share the information with a third party; provides for definitions; requires each operator to establish a designated request address; allows a consumer to submit a verified request directing an operator to not make any sale of covered information; prohibits an operator receiving a verified request from making any sale of any covered information; requires an operator to respond to a verified request within 60 days; allows for a 30 day extension of such response with notification to the consumer; requires operators make certain information available to consumers; provides for exemptions; provides for remedies for failure to comply; requires the office of consumer protection within the Department of Justice to adopt rules to enforce proposed law, allows the office of consumer protection to initiate legal proceedings; allows the district court to impose injunctions and impose civil penalties; does not establish a private right of action against an operator; and is not exclusive and is in addition to any other remedies in present law.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$304,137	\$304,390	\$316,669	\$329,458	\$342,658	\$1,597,312
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$304,137	\$304,390	\$316,669	\$329,458	\$342,658	\$1,597,312

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in an increase of SGF expenditures by the Louisiana Department of Justice, Office of Consumer Protection, associated with instituting legal proceedings against operators that violates provisions related to using public records without consent. Proposed law prohibits the use of personally identifiable information included in public records without the affirmative consent of the resident.

The Office of Consumer Protection (OCP) reports that it anticipates requiring three new T.O. positions and associated operating equipment and supplies to provide appropriate enforcement of the provisions in proposed law. The designated positions are an attorney, an investigator and a secretary at an annual salary and related benefits cost of \$278,031 beginning in FY 21. OCP assumes a 4% annual personal services expenditure increase related to market rate adjustments in the out years. OCP further reports anticipated operating services expenditures of \$12,750 beginning in FY 21 for travel (\$5,250), printing (\$1,000), rentals and equipment (\$3,000), mail and postage (\$1,000), telephone services for three (\$1,000), and office supplies \$1,500. OCP assumed a 2% inflation in operating services costs in the out years. Finally, OCP reports anticipated acquisitions expenditures of \$13,356 in FY 21 for purchase of office and computer equipment, and out year acquisition costs of \$2,000 annually beginning in FY 22 (OCP assumed a 10% annual inflation for acquisitions through FY 24, and 5% for FY 25). The Legislative Fiscal Office is unable to determine or validate the staff level necessary to provide for the enforcement and litigation that will materialize with adoption of proposed law. To the extent the additional workload is less than OCP anticipates, the additional workload may be absorbable, either wholly or partially, using existing staff and resources. To the extent OCP's estimate is accurate or exceeds projections, OCP will require additional budgetary and personnel resources to effectuate enforcement.

Expenditure projections provided by OCP, to be paid from the SGF:

	FY 21	FY 22	FY 23	FY 24	FY 25
Personal Services	\$278,031	\$289,385	\$301,204	\$313,508	\$326,318
Operating Services	\$12,750	\$13,005	\$13,265	\$13,530	\$13,800
Acquisitions	<u>\$13,356</u>	<u>\$2,000</u>	<u>\$2,200</u>	<u>\$2,420</u>	<u>\$2,540</u>
Total	\$304,137	\$304,390	\$316,669	\$329,458	\$342,658

REVENUE EXPLANATION

Proposed law will result in an indeterminable, but potentially significant increase in LF revenues associated with civil penalties ordered by district courts to operators found to either directly or indirectly violate the provisions related to using personally identifiable information included in public records without consent of the resident. The maximum civil penalty that can be imposed for each violation is up to \$5,000. The total aggregate revenue impact statewide is indeterminable and will be dependent on the number of offenders, the number of successful judgments awarded, and the value of those awards. Civil fines accrue to local governing authorities.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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