

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	HB 159
Fiscal Note Number:	2
(H) Publish Date:	3/31/2021

Identifier: 0573-LAW-CIV-SLT-3-18-21
Title: CONSUMER DATA PRIVACY ACT
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Law
Appropriation: Civil Division Except Contracts Relating to Interpretation of Janus v AFSCME
Allocation: Special Litigation
OMB Component Number: 2213

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	266.2		266.2	266.2	266.2	266.2	266.2
Travel	0.6		0.6	0.6	0.6	0.6	0.6
Services	43.0		43.0	43.0	43.0	43.0	43.0
Commodities	3.1		3.1	3.1	3.1	3.1	3.1
Capital Outlay	1.1		1.1	1.1	1.1	1.1	1.1
Grants & Benefits							
Miscellaneous							
Total Operating	314.0	0.0	314.0	314.0	314.0	314.0	314.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	314.0		314.0	314.0	314.0	314.0	314.0
Total	314.0	0.0	314.0	314.0	314.0	314.0	314.0

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? Yes
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

This fiscal note differs from the prior version as it has been revised to reflect that there is a five-year scope for requests for disclosure or deletion, and for clarification of the duties and costs of the positions.

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

Analysis

This bill creates the Consumer Data Privacy Act, giving consumers certain rights over their personal information and creating obligations for some businesses that collect personal information. Under this Act, consumers have the right to request that a business disclose what personal information the business collects or collected within the five years preceding the date of the request and what personal information is sold or disclosed for a business or commercial purpose. Consumers may opt out by requesting that the consumer's personal information not be sold by the business that collects it or request that personal information collected within the five years preceding the date of the request be deleted.

Under this Act, businesses that meet a required annual revenue or activity threshold have obligations to the consumers they serve. First, these businesses are obligated to notify customers in the state before the business collects personal information. The notification must include the categories of personal information, the purpose, and the right to opt-out. The information must be maintained and updated by the business and available to the public through the business' privacy policy or a webpage on the business' website. If a business provides others with the collected information for a business or commercial purpose, the business must record all recipients of the personal information.

This Act also creates a statutory process for a business to follow to respond to verified consumer requests to disclose or delete information. The process laid out includes required and suggested methods to submit a request, how information in the request may be used, the process to determine if a request is verified, and how information must be provided to the consumer, including confirmation that a deletion has occurred. A business must respond within 45 days of the request, and may be extended another 45 days after notifying the consumer if additional time is reasonably necessary. A business is prohibited from retaliating against a consumer that exercises any of their rights under this chapter, but may provide an incentive for allowing information to be collected, sold, or retained. A business is also responsible for implementing and maintaining reasonable security measures to protect the personal information the business collects.

Third-parties and services providers are also subject to limitations and are prohibited from certain disclosure or use of personal information collected and disclosed by a business. Likewise, if a business is subject to a merger or acquisition, the new parent business is responsible for the personal information and notifying consumers of any changes to the business' policies.

There are a number of exemptions to this Act, including protected health information, certain vehicle information, information relating to employment, and information subject to another law or legal privilege. A person may also disclose information in order to comply with a law or legal obligation, or cooperate with law enforcement.

This bill creates civil penalties for violating this chapter. A violation of this Act is also considered a violation of the Unfair Trade Practices and Consumer Protection Act. The Department of Law is the agency responsible for implementing and enforcing the Consumer Data Privacy Act, as well as the Unfair Trade Practices and Consumer Protection Act. In addition to enforcing and investigating violations of this chapter, the Department of Law is also required to adopt and enforce regulations to implement this Act, and update some of these regulations as technology progresses.

Funds recovered as a result of an action under this section may be appropriated to a consumer privacy account, for the Department of Law to offset costs incurred in connection with enforcing this chapter. The Department of Law anticipates that this will generate funding in the future for the enforcement of this Act over the long-term. To implement this chapter, the Department of Law anticipates that it will require one full-time litigation assistant position to provide public education, review corporate privacy policies and online content to ensure compliance, and assist with enforcement actions. The department will also require one full-time assistant attorney general position to assist with drafting the implementing regulations, to facilitate compliance efforts, and to handle enforcement actions.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. 573

Analysis

The new full-time positions would be located in the Civil Division and anticipated costs outside of direct personal services are allocated using the division's approved legal services billing rate allocations per budget line. All dollar figures below are shown in thousands.

Personal Services

One Assistant Attorney General IV (range 24, Juneau) at \$168.7 annually

One Litigation Assistant I (range 17, Juneau) at \$97.5 annually

Travel

Travel is estimated at \$0.6 per year total

Services

Services are estimated at \$43.0 annually for costs such as office space, telephones, core service charges, litigation costs, and related expenses

Commodities

Supplies are estimated at \$3.1 per year total

Capital Outlay

Capital outlay is estimated at \$1.1 per year total