

# Fiscal Note

State of Alaska  
2022 Legislative Session

Bill Version: HB 159  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB159CS(L&C)-DCCED-CBPL-02-10-22  
Title: CONSUMER DATA PRIVACY ACT  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: (H) JUDICIARY

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2023	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2023 Request	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>OPERATING EXPENDITURES</b>	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

## Positions

Full-time	***		***	***	***	***	***
Part-time							
Temporary							

## Change in Revenues

None	***		***	***	***	***	***
<b>Total</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**Estimated SUPPLEMENTAL (FY2022) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2023) 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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23

## Why this fiscal note differs from previous version/comments:

Amended to align with the changes contained in the House Labor & Commerce Committee Substitute; specifically AS 45.48.895 which creates the Consumer Privacy Account and AS 45.48.910 which establishes a revenue fee.

Prepared By: Sara Chambers, Division Director Phone: (907)465-2144  
Division: Division of Corporations, Business and Professional Licensing Date: 02/09/2022 12:42 PM  
Approved By: Micaela Fowler, Administrative Services Director Date: 02/10/22  
Agency: Department of Commerce, Community, and Economic Development

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2022 LEGISLATIVE SESSION

BILL NO. CSHB 159(L&C)

Analysis

HB 159 would provide Alaskans the right to know when businesses are collecting their personal information, the right to learn what information businesses have previously collected about them, the right to request that businesses delete any personal information that has been collected, and the right to prevent businesses from selling their personal information. It also prevents businesses from disclosing the personal information of children under the age of thirteen to third parties and prevents businesses from disclosing the personal information of minors above the age of thirteen without the consent of a parent or guardian.

HB 159 requires data broker businesses to register with the Department of Commerce, Community, and Economic Development (DCCED) and for DCCED to make specific information on registered data brokers available online for consumer access. It also creates a consumer privacy account (noted in this fiscal note using the DGF temp code 1252) that will be used to pay legal costs provided by the Department of Law and administrative costs incurred by DCCED and the Department of Law to enforce the Act.

HB 159 requires DCCED to set a registration fee in an amount established by DCCED in regulation, which then must be deposited into the consumer privacy account. Data broker businesses are also required to pay a fee to DCCED that is three percent of the revenue received by the business from buying, selling, or sharing a consumer’s personal information or household information. This fee must also be deposited by DCCED into the consumer privacy account.

It is unclear how the Division of Corporations, Business, and Professional Licensing (CBPL) would determine the three percent revenue fee amount for each business. Because CBPL does not currently administer this type of fee program, it does not have the information needed to accurately determine a true cost of this bill. There will be unknown costs to hire multiple personnel, including tax auditors, revenue auditors, accounting technicians, office assistants, a tax auditor supervisor, and other potential unknown full-time staff. Additionally, the number of businesses that will be required to participate in this program is not known and therefore the collections and enforcement costs are indeterminate. CBPL would also need authority to fund multiple new positions at the Department of Law through an interagency RSA; and potentially would require additional investigator positions.

A new fee/tax auditing software program and information technology support would also be required. The CBPL database and website would require adjustments to accommodate data broker registrations and online information requirements.

This bill goes into effect on January 1, 2023. CBPL would require general funds (1004) to initiate the program and anticipated through FY2024 as the amount of incoming revenues may not be immediately sufficient to support the program. CBPL is unable to provide an estimated cost to implement this Act for the reasons noted above and is therefore submitting an indeterminate fiscal note.

If the bill passes as written, the department expects the following expenses will be incurred:

- Personal Indeterminate: Unknown cost to hire multiple personnel including tax Auditors, revenue auditors, accounting technicians, office assistants, tax auditor supervisor, and other potential unknown full-time staff as noted above.
- Services: \$2.7 GF (1004) to amend regulations, printing, and postage in the first year.  
Indeterminate amount for legal cost in the first two year as noted above.  
Indeterminate cost of tax software and additional lease space for new staff.
- Commodities: Indeterminate as noted above.