

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 159(L&C)
Fiscal Note Number:	4
(H) Publish Date:	2/7/2022

Identifier: HB159-LAW-CIV-SLT-1-14-22
Title: CONSUMER DATA PRIVACY ACT
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Rules

Department: Department of Law
Appropriation: Civil Division
Allocation: Special Litigation
OMB Component Number: 2213

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
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 (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? No
(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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Updated for SLA2022 fiscal note template.

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Date: 01/14/2022 02:46 PM
Date: 01/14/22

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 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 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 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.

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. 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, in order to implement this Act.

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 initially require one full-time associate attorney position to provide public education and review online content and one full-time assistant attorney general position to assist with drafting the implementing regulations and handle the initial caseload.