

HB 4017 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/2, 2/9

WHAT THE MEASURE DOES:

Prohibits business entity from collection, storage, or transfer of personal data within this state without annual registration as a data broker with the Department of Consumer and Business Services. Defines terms. Exempts business entity that submits written declaration to department that the business entity: has direct relationship with all resident individuals from whom entity collects personal information; certain business activities in which collecting, storing, or transferring personal data is an incidental part of the activity; or, provides information lawfully available from government records or provides alert service for health and safety purposes. Prescribes process for registration and requires department to approve registration of compliant applicant and make information provided by registrant publicly available on department's website. Allows department to impose civil penalty of up to \$1,000 per violation of registration requirement. Becomes operative January 1, 2023. Declares emergency, effective on passage.

Awaiting fiscal impact; no revenue impact

ISSUES DISCUSSED:

- Work of the Attorney General's Consumer Privacy Task Force to produce comprehensive data privacy legislation for the 2023 legislative session
- Need to understand who is monetizing the personal information of Oregonians
- Impact of similar registration requirements enacted in California and Vermont
- Forthcoming amendments to address feedback from stakeholders

EFFECT OF AMENDMENT:

-2 Replaces the measure. Prohibits data brokers from collecting, selling, or licensing personal data within this state without annual registration with the Department of Consumer and Business Services. Defines "data broker" to exclude credit reporting agency, financial institution, and certain business entities. Exempts data brokers that only deal in certain publicly available information, periodical publications, digital access to published materials, directory assistance, and certain business and e-commerce activities. Prescribes process for registration and requires department to approve registration if applicant complies. Requires department to make information that data broker submits for registration publicly available on department's website. Allows department to comply by use of the Nationwide Multistate Licensing System. Allows department to impose civil penalty of up to \$500 per violation and \$500 per day for continuing violations with an annual maximum of \$10,000 per data broker. Becomes operative on January 1, 2023. Declares emergency, effective on passage.

BACKGROUND:

Internet-enabled devices, sometimes called "smart devices," gather and share personal information. Smart devices include mobile phones, tablets, computers, televisions, fitness trackers, and even some common household appliances like refrigerators and thermostats. These devices collect and share a wide range of personal information, including our browser history, phone and e-mail contacts, location, personal health, and conversations.

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Manufacturers may provide platforms that facilitate access to this information by applications, or directly share the information gathered by these smart devices with data brokers, entities who purchase and sell personal information. Information sold to a data broker may contain specific personally identifiable and sensitive details. People are often unaware of whether their personal information is sold to a broker, and if so, what information is included. Vermont and California require data brokers trading in the personal information of their residents to register with the state so that consumers can identify and contact companies that may be trading in their personal information.

House Bill 4017 with the -2 amendments requires data brokers handling the personal information of Oregonians to register annually with the Department of Consumer and Business Services, who must make the information of all registrants available to the public on the agency's website. The registration is designed to support comprehensive data privacy legislation that is currently being developed by the Attorney General's Consumer Privacy Task Force and is similar to the data broker registration requirements enacted in California and Vermont.