FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 619 - 4

82nd Oregon Legislative Assembly – 2023 Regular Session
Legislative Fiscal Office
Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
Creates rights and regulations for consumers personal data. Authorizes Attorney General to bring an action seeking civil penalty for violations.

Government Unit(s) Affected:
Long Term Care Ombudsman, Cities, Counties, Department of Consumer and Business Services, Department of Human Services, Department of Justice, Judicial Department

Summary of Fiscal Impact:
Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Justice		
Other Funds		
Personal Services	$1,057,379	$1,456,886
Services and Supplies	$723,350	$424,853
Total Fiscal Impact	**$1,780,729**	**$1,881,739**
Total Positions	5	5
Total FTE	3.75	4.00

Analysis:
The measure provides specific rights and regulations to consumers personal data that provide products or services to residents of the state. The measure applies to consumers that, during a calendar year, controls or processes the data of 100,000 or more consumers or devices or, 25,000 or more consumers while deriving 25% or more of the annual gross revenue. The measure creates consumer information protection regulations that would require notification if personal information were being used or shared, how it is being used or shared, and given an option to opt-out of having personal information used or shared. These provisions are operative July 1, 2024.

In addition, the measure authorizes the Attorney General to issue investigative demand if any person possesses, controls, or has custody of information that is found relevant in an investigation of violation. The measure authorizes the Attorney General to bring an action seeking a civil penalty of not more than $7,500 for each violation or obtain other equitable relief. The action shall be brought to Multnomah circuit court or any court in which part of the violation occurred, and proceeds shall be deposited into the Department of Justice Protection and Education Revolving Account. The measure then expands the allowable use of the account to include the expenditure of funds related to the provisions of this measure. The measure is effective on January 1, 2024.

The fiscal impact for the Department of Justice (DOJ) is $1.8 million Other Funds for five positions (3.75 FTE) for the 2023-25 biennium and $1.9 million Other Funds for five positions (5.00 FTE) in the 2025-27 biennium. The agency anticipates needing three Senior Assistant Attorney General positions, one Information Systems Specialist 6 position and one Program Analyst 3 to fulfill the duties of the measure. The measure does not include Other

Funds expenditure limitation to allow DOJ to expend funds received from the Protection and Education Revolving Account.

The Legislative Fiscal Office (LFO) notes that in absence of a material and timely legal settlement(s) under the provisions of this measure, DOJ's costs would be borne by other legal settlements generated outside this measure under current law and that are deposited into the Protection and Education Revolving Account. Such a drawdown of the balance of the account could adversely impact the remaining funding available for the enforcement of the Unlawful Trade Practices Act, False Claims Act, Anti-Trust Act, and other general legal recoveries of the state as well as reduce the amount of any excess settlement proceeds available for transfer to the General Fund.

There is a minimal fiscal impact for the Oregon Judicial Department. There is no fiscal impact for the Department of Consumer and Business Services, Oregon Health Authority, Long Term Care Ombudsman, or counites.

This measure has a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.