

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2307

House of Origin	☐ Introduced	☒ Substitute	☐ Engrossed
Second House	☐ In Committee	☐ Substitute	☐ Enrolled

2. Patron: C.E. Cliff Hayes, Jr.

3. Committee: Communications, Technology and Innovation

4. Title: Consumer Data Protection Act.

5. Summary: Establishes a framework for controlling and processing personal data in the Commonwealth. The bill applies to all persons that conduct business in the Commonwealth and either (i) control or process personal data of at least 100,000 consumers or (ii) derive over 50 percent of gross revenue from the sale of personal data and control or process personal data of at least 25,000 consumers. The bill outlines responsibilities and privacy protection standards for data controllers and processors. The bill does not apply to state or local governmental entities and contains exceptions for certain types of data and information governed by federal law. The bill grants consumer rights to access, correct, delete, and obtain a copy of personal data and to opt out of the processing of personal data for the purposes of targeted advertising. The bill provides that the Attorney General has exclusive authority to enforce violations of the law, and the Consumer Privacy Fund is created to support this effort. The bill has a delayed effective date of January 1, 2023.

6. Budget Amendment Necessary: Yes, Item 59.

7. Fiscal Impact Estimates: Indeterminate, See Item 8

8. Fiscal Implications: Based on a similar bill, it is expected this bill will require the Office of the Attorney General and Department of Law (OAG) to handle additional individual consumer complaints, and, where deemed appropriate, pursue damages actions on behalf of those consumers. To fulfill these responsibilities, it is estimated the OAG will need to add at least one Dispute Resolution Specialist to attempt to resolve consumer complaints alleging violations; one Consumer Protection Investigator to investigate violations for possible enforcement actions; and at least one Assistant Attorney General to file, litigate, and resolve enforcement actions, as well as actions brought to recover damages for consumers. This bill provides no funding at the onset. It is estimated, recoveries from civil penalties will not be sufficient to cover requisite personnel costs. The cost for the Dispute Resolution Specialist, Consumer Protection Investigator, and Assistant Attorney General is approximately \$330,556 per year.

This bill is not expected to have a state fiscal impact except to OAG. According to § 59.1-572 of the proposed legislation, any body, authority, board, bureau, commission, district, or

agency of the Commonwealth or of any political subdivision of the Commonwealth is exempt from this measure.

9. Specific Agency or Political Subdivisions Affected: The Office of the Attorney General and Department of Law

10. Technical Amendment Necessary: No.

11. Other Comments: Similar to SB1392.