Department of Planning and Budget
2015 Fiscal Impact Statement

1. **Bill Number:** SB814

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

2. **Patron:** Watkins

3. **Committee:** General Laws and Technology

4. **Title:** Electronic identity management; standards; liability.

5. **Summary:** Creates the Identity Management Standards Advisory Council to advise the Secretaries of Technology and Transportation on the adoption of technical and data standards regarding the verification and authentication of identity in digital and online transactions. Electronic identity providers that adhere to the adopted standards would be immune from civil liability related to the issuance of an electronic identity credential, absent gross negligence or willful misconduct. The bill also establishes in the Code of Virginia the concept of an identity trust framework operator, an entity that establishes rules and policies for identity providers operating within the framework and issues electronic trustmarks to such providers signifying compliance with the rules and policies of that trust framework.

6. **Budget Amendment Necessary**: No.

7. **Fiscal Impact Estimates:** Indeterminate, see Item 8.

8. **Fiscal Implications:** This bill creates the Identity Management Standards Advisory Council (the "Advisory Council"). Members of the Advisory Council are not compensated but are reimbursed for reasonable and necessary expenses incurred in the performance of their duties, including transportation, parking, and lodging. The bill does not establish a fiscal agent for the Advisory Council, therefore it is currently unknown which agency or agencies will be responsible for any council member reimbursements. Costs for reimbursements will vary depending on the frequency of meetings and the travel costs of the members.

   The bill states that the Advisory Council will contain representatives from the Virginia Information Technologies Agency (VITA) and the Department of Motor Vehicles (DMV). The bill does not establish if the Advisory Council will be provided any staff support from VITA or DMV, or if it will have its own staff. Providing staff support for the Advisory Council may generate a fiscal impact.

   The bill appears to grant private and non-profit entities immunity from civil liability so long as the entity meets or exceeds the Commonwealth's identity management standards. The cost

for these entities to do so is unknown at this time as the standards have not yet been set and it is unknown how many entities will choose to participate.

9. **Specific Agency or Political Subdivisions Affected:** Secretary of Technology, Secretary of Transportation, Department of Motor Vehicles, and Virginia Information Technologies Agency

10. **Technical Amendment Necessary:** Yes. The bill as introduced does not specify which agency will serve as fiscal agent for the proposed Advisory Council. The bill also does not specify which agency, if any, are responsible for providing staff support to the Advisory Council. Providing staff support for the Advisory Council may generate a fiscal impact.

11. **Other Comments:** N/A

Date: January 26, 2015
File: H:\General Government\GENERAL ASSEMBLY\2015 Session\SoTech\SB814.doc