

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB812

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

2. Patron: Morrissey

3. Committee: Commerce and Labor

4. Title: Telephone privacy protection.

5. Summary: Requires a telephone solicitor to immediately disclose who is calling and what property, good, or service is being offered. The measure also prohibits caller ID spoofing, which is defined in the bill as causing any caller identification service to transmit caller identification information that represents or states that the call originates from a telephone with an area code assigned to an area in the Commonwealth or from a location in the Commonwealth if the person on whose behalf the telephone solicitation call is being made does not conduct business from a location in the Commonwealth.

The measure prohibits a telephone solicitor from making a telephone solicitation call or the use of an automatic dialing-announcing device in connection with making a call to any subscriber who has registered with the Virginia Do Not Call Registry. The measure requires the Virginia Department of Agriculture and Consumer Services to set up by January 1, 2021, the Virginia Do Not Call Registry for subscribers who wish to block all solicitation calls and calls that use or are made in connection with automatic dialing-announcing devices.

6. Budget Amendment Necessary: Yes to Items 59 and 101 of HB30/SB30.

7. Fiscal Impact Estimates: Preliminary.

7a.1.Expenditure Impact: Office of the Attorney General – Item 59

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	\$85,900	2	GF
2022	\$257,701	2	GF
2023	\$257,701	2	GF
2024	\$257,701	2	GF
2025	\$257,701	2	GF
2026	\$257,701	2	GF

7a.2.Expenditure Impact: Department of Agriculture and Consumer Services – Item 101

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	\$200,000	N/A	GF
2022	\$15,000	N/A	GF
2023	\$15,000	N/A	GF
2024	\$15,000	N/A	GF

2025	\$15,000	N/A	GF
2026	\$15,000	N/A	GF

7b. Revenue Impact: Indeterminate.

- 8. Fiscal Implications:** This bill will have a fiscal impact on both the Office of the Attorney General (OAG) and the Department of Agriculture and Consumer Services (VDACS). Currently, investigative and enforcement of the provisions of the Virginia Telephone Privacy Protection Act is delegated to OAG. The bill adds caller ID spoofing to the list of prohibited actions under the Act. According to OAG, whereas current statute allows prosecutorial discretion regarding enforcement decisions, this bill affirmatively requires OAG to investigate caller ID spoofing complaints and bring an enforcement action when necessary. As such, OAG anticipates that it will require at least one attorney and one investigator to enforce this new provision at a cost of \$85,900 the first year and \$257,701 thereafter.

As written, the bill requires VDACS to create and maintain the Virginia Do Not Call Registry, a web-based registration system. This client-facing web-based registration system would allow citizens to enter their information on a web client, and the phone number they enter will be added to a database kept by the agency. The system will allow solicitors to access the phone number lists. VDACS estimates a cost of \$200,000 for initial development of such a database and \$15,000 per year for maintenance and server costs. Although the bill requires OAG to investigate and enforce the provisions, VDACS believes that, as the host of the Virginia Do Not Call Registry, the agency will receive calls and complaints about violations of the Act. According to the Federal Trade Commission's (FTC) National Do Not Call Registry Data Book for 2018, Virginia ranks seventh in the nation for the number of complaints submitted to FTC. According to the report, approximately 65 percent of the complaints are related to ID spoofing, or robo-calling. As such, VDACS may require additional resources to field these calls and coordinate with OAG.

Violators of the provisions of the bill are subject to a civil penalty of not more than \$1,000 per violation. All civil penalties served under this Act are deposited to the Literary Fund.

- 9. Specific Agency or Political Subdivisions Affected:** Office of the Attorney General; Department of Agriculture and Consumer Services.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** SB822 also addresses the Virginia Telephone Privacy Protection Act.