

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/14/2019**

Bill/Resolution No.: HB 1524

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

|                       | 2017-2019 Biennium |             | 2019-2021 Biennium |             | 2021-2023 Biennium |             |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
|                       | General Fund       | Other Funds | General Fund       | Other Funds | General Fund       | Other Funds |
| <b>Revenues</b>       | \$0                | \$0         | \$0                | \$0         | \$0                | \$0         |
| <b>Expenditures</b>   | \$0                | \$0         | \$80,000           | \$0         | \$0                | \$0         |
| <b>Appropriations</b> | \$0                | \$0         | \$80,000           | \$0         | \$0                | \$0         |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

|                         | 2017-2019 Biennium | 2019-2021 Biennium | 2021-2023 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| <b>Counties</b>         | \$0                | \$0                | \$0                |
| <b>Cities</b>           | \$0                | \$0                | \$0                |
| <b>School Districts</b> | \$0                | \$0                | \$0                |
| <b>Townships</b>        | \$0                | \$0                | \$0                |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill creates a filing requirement with the Secretary of State for data brokers.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

In the bill, the only reference to the Secretary of State appears on page 2, line 16. It requires an annual registration with the Secretary of State on or before February first following a year in which the filer meets the definition of data broker. Because of several unknowns, the agency listed in 1A what it believes is the top end of a range of costs that may range down to only a few thousand dollars depending on the expectations of the legislature, which may require amendments to the bill to make it clear.

For example, if the only requirement expected of the agency is that it annually receives the data broker registration as a paper filing available to the public upon request that would require a minimal appropriation. However, if the data broker must also be registered as a “business” (page 1, line 13) entity (corporation, limited liability company, etc.), this will require more extensive programming. The programming would involve creating the online tools for registration, renewal of registration, amendments, cancellations, the issuance of certifications, automated jobs for renewal notices or going out of “good standing” status if the business fails to file its annual report, receipt of fee payments, public search of these registrations, what information is and is not available to the public, etc. When these and other unknowns are identified, the agency will be better able to estimate the cost.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

It is unknown as to the what the sponsors have estimated to be the number of registrations that would result. Based on whether ten file, it would result in revenue of \$1,000. The bill do not indicate if the registration fee would be deposited in the general fund or the agency's general services fund.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The extent of the expenditures is unknown because the scope of the expectations is not identified.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The needed appropriation will depend on the expectations of the legislature.

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**Date Prepared:** 01/18/2019