Multiple Agency Fiscal Note Summary

Bill Number: 2742 HB	**Title:** Personal data

Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Consolidated Technology Services	0	165,000	0	0	0	0
Consolidated Technology Services	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.					
Total $	**0**	**165,000**	**0**	**0**	**0**	**0**

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	3.6	1,108,000	1,108,000	3.6	1,108,000	1,108,000
Consolidated Technology Services	.0	0	165,000	.0	0	0	.0	0	0
Consolidated Technology Services	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total $	**0.0**	**0**	**165,000**	**3.6**	**1,108,000**	**1,108,000**	**3.6**	**1,108,000**	**1,108,000**

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

FNPID: 59705

FNS029 Multi Agency rollup

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	**Phone:** (360) 902-9810	**Date Published:** Final 2/ 7/2020

FNPID: 59705

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 2742 HB	Title: Personal data	Agency: 055-Administrative Office of the Courts

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

Legislative Contact	Yelena Baker	Phone: 360-786-7301	Date: 01/20/2020
Agency Preparation:	Pam Kelly	Phone: 360-705-5318	Date: 01/24/2020
Agency Approval:	Ramsey Radwan	Phone: 360-357-2406	Date: 01/24/2020
OFM Review:	Bill Hesketh	Phone: (360) 902-7437	Date: 01/28/2020

155,408.00

Request # 2742 HB-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

Please see attached Judicial Impact Note (JIN).

II. B - Cash Receipts Impact

II. C - Expenditures

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

Part II: Narrative Explanation

This bill would establish consumer personal data rights and identifies responsibilities of controllers and processors of personal data, including requirements related to commercial use of facial recognition services.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

Section 4(2) – Would exempt State and local governments from the jurisdictional scope that is defined in subsection (1)(a) and (b) of this section.

Section 11 – Would make any violation of this chapter not to serve as the basis for, or be subject to, a private right of action under this chapter or under any other law.

II.B - Cash Receipt Impact

None

II.C – Expenditures

None, there would be no new private rights of action created as a result of this bill and this bill would exempt government agencies from this act so there would be no impacts on public records requests or other publicly available records.

Individual State Agency Fiscal Note

Bill Number: 2742 HB	Title: Personal data	Agency: 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Yelena Baker	Phone: 360-786-7301	Date: 01/20/2020
Agency Preparation:	Dan Mason	Phone: (360) 902-8990	Date: 01/23/2020
Agency Approval:	Dan Mason	Phone: (360) 902-8990	Date: 01/23/2020
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 02/04/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 2742 creates the consumer privacy account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2742 HB	Title: Personal data	Agency: 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.0	0.0	3.6	3.6
Account					
General Fund-State 001-1	0	0	0	1,108,000	1,108,000
Total $	0	0	0	1,108,000	1,108,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Yelena Baker	Phone: 360-786-7301	Date: 01/20/2020
Agency Preparation:	Stacia Hollar	Phone: (360) 664-0865	Date: 01/21/2020
Agency Approval:	Edd Giger	Phone: 360-586-2104	Date: 01/21/2020
OFM Review:	Gwen Stamey	Phone: (360) 902-9810	Date: 01/24/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 provides that short title of this act is the Washington Privacy Act of 2019.

Section 2 sets forth the legislative intent.

Section 3 provides definitions.

Section 4 specifies the businesses covered by the act and excludes state and local governments and higher education. It also addresses specified data, including health care and health care quality improvement information, as excluded from the provisions of the act.

Section 5 sets forth the responsibility of certain positions within the businesses.

Section 6 establishes consumer rights under the act regarding the rights to access, correct, delete, transmit, and opt out of the distribution of personal data. The bill details the process for controllers to respond to consumer complaints including an appeal process and provides for the submission of information regarding a specific appeal to the attorney general with the consumer's consent. With certain limitations, the attorney general must post such appeal language on the attorney general's website.

Section 7 addresses the processing of de-identified data or pseudonymous data.

Section 8 addresses the responsibilities of controllers relating to transparency, purpose specification, data minimization, avoiding secondary use, security, nondiscrimination, sensitive data, and non-waiver of consumer rights.

Section 9 requires the businesses to conduct and document risk assessments covering the processing of personal data. The attorney general may request disclosure of, and evaluate, such assessments if relevant to an investigation.

Section 10 addresses the limitations and applicability of the act to other controller and processor actions.

Section 11 addresses business liability.

Section 12 grants the attorney general the exclusive authority to enforce and provides injunctive relief and a civil penalty of not more than $7,500 per violation.

Section 13 creates an appropriated Consumer Privacy Account for deposit of all civil penalties except for recovery of attorney general's costs and fees.

Section 14 provides this chapter supersedes and preempts laws adopted by local entities regarding this subject.

Section 15 requires the Office of Privacy and Data Protection to conduct a study regarding targeted advertising and related consumer concerns. A report of its findings is due to the governor and legislature by October 31, 2021.

Section 16 requires that by July 1, 2022, the attorney general shall compile and submit to the governor and legislature a report evaluating the liability and enforcement provisions of the act and any recommended changes.

Section 17 authorizes the governor to enter into agreements with the governments of British Columbia, Oregon and California for joint data-driven research initiatives.

Section 18 addresses use of facial recognition technology by businesses.

Section 19 provides that certain sections constitute a new chapter in Title 19 RCW.

Section 20 provides an effective date of July 31, 2021 except for Section 15.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Attorney General's Office (AGO) Consumer Protection Division (CPR) activities are funded with General Fund-State dollars. No cash receipt impact. There is no client agency to bill for legal services.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Attorney General's Office (AGO) Agency Assumptions:

1. Legal services associated with the enactment of this bill will begin on July 31, 2021.

2. The AGO Transportation & Public Construction division (TPC) has reviewed this bill and determined it will not increase or decrease the division's workload in representing Washington Technology Services (WaTech). After discussions with the State Privacy Officer at WaTech, it has been determined that the proposed bill's requirement for WaTech to conduct a study and other miscellaneous tasks will not significantly increase the division's workload in representing WaTech. The amount of legal services, if any, will be nominal and can be provided with existing resources.

Assumptions for the AGO Consumer Protection division (CPR) Legal Services:

1. AGO CPR activities are funded with General Fund-State dollars. CPR enforces the Consumer Protection Act with respect to conduct that is made unlawful under RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR focus is on representations and failures to disclose terms and conditions.

2. CPR assumes there will be no legal challenges to the statute.

3. CPR anticipates three full investigations per year. If investigations lead to unexpected litigation, it will result in slight increased costs.

4. Increased volume of consumer complaints will be handled within existing resources.

5. No private right of action will result in higher expectations and demands for CPR or higher costs.

6. Companies will be very resistant to investigations and investigations will be time-consuming.

7. Frequent (at least 36 per year) communications with companies to inquire of practices without investigations.

8. The AGO assumed $65,000 per fiscal year (FY) in investigation costs to include, but are not limited to:

A. $15,000 per FY for investigation deposition costs and state-wide travel.

B. $50,000 per FY for investigation document management costs (e-discovery).

9. Total workload impact in FY 2022 and in each FY thereafter: 1.17 Assistant Attorney General (AAG), 0.59 Legal Assistant (LA), 0.33 Investigator (INV), and 1.17 Paralegal (PL) at a cost of $554,000 per FY (this includes investigation costs of $65,000 per FY).

Note: Agency administration support FTEs are included in the tables below, using a Management Analyst 5 as a representative classification.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	0	0	1,108,000	1,108,000
		Total $	0	0	0	1,108,000	1,108,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years				3.6	3.6
A-Salaries and Wages				626,000	626,000
B-Employee Benefits				216,000	216,000
C-Professional Service Contracts					
E-Goods and Other Services				220,000	220,000
G-Travel				38,000	38,000
J-Capital Outlays				8,000	8,000
Total $	0	0	0	1,108,000	1,108,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Assistant Attorney General-Seattle	110,256				1.2	1.2
Legal Assistant 3-Seattle	64,944				0.6	0.6
Management Analyst 5	88,644				0.3	0.3
Paralegal 2-Seattle	70,608				1.2	1.2
Senior Investigator-Seattle	92,652				0.3	0.3
Total FTEs					3.6	3.6

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Consumer Protection Division (CPR)				1,108,000	1,108,000
Total $				1,108,000	1,108,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2742 HB	Title: Personal data	Agency: 163-Consolidated Technology Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Consolidated Technology Services Revolving Account-State 458-1		165,000	165,000		
Total $		165,000	165,000		

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
Consolidated Technology Services Revolving Account-State 458-1	0	165,000	165,000	0	0
Total $	0	165,000	165,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Yelena Baker	Phone: 360-786-7301	Date: 01/20/2020
Agency Preparation:	Wendy Armstrong	Phone: 360-407-8977	Date: 01/22/2020
Agency Approval:	Tim Gallivan	Phone: (360) 407-8215	Date: 01/22/2020
OFM Review:	Bryan Way	Phone: (360) 902-0650	Date: 01/22/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill creates the Washington Privacy Act. This is a private industry/consumer directed bill that creates consumer rights regarding data handling practices of private businesses. The Act does not apply to local and state governments, personal data sets regulated by certain federal laws, or employment records. The Act does apply to legal entities that control or process data of more than 100,000 consumers and/or derive 50 percent to gross revenue from the sale of personal information. Consumer rights created by the bill include the right of data: access, correction, deletion, portability, and opt out provisions. The law will be enforced by the Attorney General's consumer protection division. The bill also includes facial recognition provisions and regulates facial recognition technology use by private businesses.

Section 15 impacts the agency as it requires the Office of Privacy and Data Protection (OPDP)* to conduct a study on the development of technology, such as browser setting, browser extension or global device setting, indicating a consumer's choice to opt out of processing of personal data for the purposes of targeted advertising, the sale of personal data, or profiling in furtherance of decisions that produce legal effects concerning consumers or similarly significant effects concerning consumers. The OPDP shall submit findings and recommendations to the governor and legislature by October 31, 2021.

*OPDP is a division of the Office of the Chief Information Officer (OCIO) in Consolidated Technology Services (WaTech)

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The Office of Privacy and Data Protection is a part of the Office of the Chief Information Officer (OCIO) and funded by an appropriation from the Consolidated Technology Services Revolving Account (458-1). Revenues for the OCIO are collected from state agencies who receive allocations through the Office of Financial Management (OFM) central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

WaTech does not have enough data to make reliable assumptions regarding the level of participation needed to meet the provisions of Section 15 of this bill. However, based on how the bill is written, WaTech has provided the following implementation assumptions:

•the OPDP will hire a subject matter expert (product manager) to conduct a study. The study will include a current market analysis of the development of technology which would include consultation with frontend web developers and mobile developers with knowledge of multiple browsers and devices. It is anticipated the market study and report recommendation will take about 6 months to complete and would cost approximately $165,000 (1000 hours X $165 hourly rate)

•WaTech can absorb the staff costs for this proposed bill in its base budget if the workload of other enacted legislation does not exceed current staffing levels.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
458-1	Consolidated Technology Services Revolving Account	State	0	165,000	165,000	0	0
		Total $	0	165,000	165,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		165,000	165,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	0	165,000	165,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required