151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 262**
SPONSOR:	**Representative Griffith**
DESCRIPTION:	**AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO DATA BROKERS AND CONSUMER PROTECTION.**

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. This Act requires the annual registration of data brokers who sell or license consumer data to register with the Consumer Protection Unit (CPU) of the Department of Justice (DOJ); payment of a registration fee determined by the activity of the data broker; reporting requirements regarding the use of personal information to be published in a searchable online format by the DOJ; establishment of civil penalties for data brokers who fail to register or knowingly falsify registration; and creates the Internet Privacy Protection Fund (IPPF).
3. It is difficult to determine the number of data brokers that exist as currently, only two states, California and Vermont, require the registration of data brokers. A review of publicly available registration data as of January 4, 2022, shows the number of active data brokers registered with these states appear to be 93 and 176, respectively. The DOJ believes that this Act provides for a broader definition of a data broker than legislation enacted in these states and estimates that it is likely over 2,000 data brokers would be required to register upon enactment.
4. The DOJ estimates that it would require a one-time expense of a minimum of $100,000 to establish a registration system and subsequent integration with the DOJ's existing website. In addition, to implement and enforce the provisions of this Act, the DOJ believes it will require 1.0 FTE, Deputy Attorney General V, and 1.0 FTE, Legal Assistant IV with a recurring annual cost of $175,725 and one-time startup cost of $10,000 for computer equipment and office furniture for the new positions.
5. This Act provides that the DOJ may utilize the IPPF for expenses incurred by the CPU in connection with any activity to carry out or enforce the provisions of this Act, including salaries and expenses related to investigations, enforcement actions, consumer education, and outreach relating to information security and privacy. This fiscal impact assumes that the Fiscal Year 2023 and 2024 operational costs associated with this Act would initially be funded through the General Fund. Any revenue received by the generation of fees or penalties to the IPPF would not occur until after the implementation and hiring of necessary FTE positions. Provided that enough revenue is collected to offset the operational costs identified, it is assumed the FTE needs would be funded from revenues from the IPPF in subsequent fiscal years.
6. Lastly, Fiscal Year 2023 personnel costs have been estimated for 9-months of funding with the annualization of the remaining 3-months incorporated into subsequent year estimates. Additionally, a 2% inflation cost has been included for projected increases to salary, health insurance, and OECs.

Cost:

	One-Time	**General Fund**	**Internet Privacy Protection Fund**
Fiscal Year 2023:	**$110,000**	**$175,725**	
Fiscal Year 2024:		**$238,987**	
Fiscal Year 2025:			**$243,766**

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