

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 583-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Krummel
Carrier – Senate: Sen. Prozanski**

Action: Do Pass the A-Engrossed Measure as Amended and Be Printed B-Engrossed

Vote: 21 – 0 – 0

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett, Winters

– Nays:

– Exc:

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Reviewed By: Dawn Farr, Legislative Fiscal Office

Meeting Date: 6/20/07

Agency

Department of Consumer and Business Services

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Biennium

2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Representative Bob Jenson, General Government Subcommittee Chair

Budget Summary*

	<u>2005-07</u>	<u>2007-09</u>			<u>Percentage Committee</u>
	<u>Legislatively Approved</u>	<u>Governor's Budget</u>	<u>Committee</u>	<u>Difference from</u>	<u>Change from</u>
	<u>Budget (1)</u>		<u>Recommendation</u>	<u>Governor's Budget</u>	<u>Governor's Budget</u>
Other Funds	0	0	202,017	+202,017	100%

Position Summary

Authorized Positions	0	0	2	+2
Full-time Equivalent (FTE) Positions	0.00	0.00	1.46	+1.46

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Section 15 of Senate Bill 583 allows the Director of the Department of Consumer and Business Services (DCBS) to allocate moneys from fees and assessments paid to the Division of Finance and Corporate Securities and the Insurance Division to implement the Oregon Consumer Identity Theft Protection Act. The Joint Committee on Ways and Means General Government Subcommittee supports the Director's proposed funding strategy for 2007-09 as displayed in the table below:

DCBS Program	2005-07 Biennial Budget	Percent Share	2007-09 Allocation	2009-11 Allocation
Insurance (includes producer regulation)	10,539,483	49.22%	\$ 99,434	Undetermined
Banks and Trusts	3,240,474	15.14%	30,585	Undetermined
Credit Unions	1,355,477	6.33%	12,788	Undetermined
Mortgage Brokers/Bankers	1,977,583	9.24%	18,666	Undetermined
Consumer Finance	854,695	3.99%	8,060	Undetermined
Securities	3,442,322	16.08%	32,484	Undetermined
Total	21,410,034	100.00%	\$ 202,017	\$ 267,703

The bill will reduce General Fund revenue by \$32,484 for 2007-09 as excess Securities program fees are currently transferred to the General Fund. The Director anticipates using the Securities Fund reserves as the primary funding vehicle in the future; hence, the anticipated General Fund reduction for 2009-11 is \$267,703.

Summary of Subcommittee Action

Senate Bill 583 enacts the Oregon Consumer Identity Theft Protection Act. The bill includes provisions for consumer notification of breaches of security of computerized data; allows consumers to place and temporarily lift a freeze on their consumer report; sets limitations for printing or displaying social security numbers; creates a duty for those who “own, maintain or otherwise possess data” to safeguard personal information (effective January 1, 2008); and, authorizes DCBS to enforce and make rules to implement the provisions of the bill.

The Subcommittee approved \$202,017 Other Funds expenditure limitation and established two permanent full-time positions for the Division of Finance and Corporate Securities: an Investigator 3 (0.96 full-time equivalent) effective August 1, 2007 and a Hearings Officer 3 (0.50 full-time equivalent) effective July 1, 2008. The staff will provide one-time activities including the development of forms and publications, administrative rule-making and legislative reporting. On-going duties include public outreach, consumer complaint response, investigation and enforcement.

Section 12 of the bill, relating to the establishment of data safeguards, is expected to have a minimal fiscal impact on other state agencies. Agencies anticipate that implementation of the bill may result in some workload reprioritization to accomplish the tasks identified in the bill within existing resources.

Summary of Performance Measure Action

None.