

HB 4017 A STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 02/09/22

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 11-0-0-0

Yeas: 11 - Bonham, Boshart Davis, Bynum, Cate, Evans, George, Grayber, Holvey, Salinas, Smith Warner, Witt

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/2, 2/9

WHAT THE MEASURE DOES:

Prohibits data brokers from collecting, selling, or licensing personal data within this state without annual registration with the Department of Consumer and Business Services. Defines "data broker" to exclude credit reporting agency, financial institution, and certain business entities. Exempts data brokers that only deal in certain publicly available information, periodical publications, digital access to published materials, directory assistance, and certain business and e-commerce activities. Prescribes process for registration and requires department to approve registration if applicant complies. Requires department to make information that data broker submits for registration publicly available on department's website. Allows department to comply by use of the Nationwide Multistate Licensing System. Allows department to impose civil penalty of up to \$500 per violation and \$500 per day for continuing violations with an annual maximum of \$10,000 per data broker. Becomes operative on January 1, 2023. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Work of the Attorney General's Consumer Privacy Task Force to produce comprehensive data privacy legislation for the 2023 legislative session
- Need to understand who is monetizing the personal information of Oregonians
- Impact of similar registration requirements enacted in California and Vermont

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Internet-enabled devices, sometimes called "smart devices," gather and share personal information. Smart devices include mobile phones, tablets, computers, televisions, fitness trackers, and even some common household appliances like refrigerators and thermostats. These devices collect and share a wide range of personal information, including browser history, phone and e-mail contacts, location, personal health, and conversations.

Manufacturers may provide platforms that facilitate access to this information by applications, or directly share the information gathered by these smart devices with data brokers, entities that purchase and sell personal information. Information sold to a data broker may contain specific personally identifiable and sensitive details. People are often unaware of whether their personal information is sold to a broker, and if so, what information is included. Vermont and California require data brokers trading in the personal information of their residents to register with the state so that consumers can identify and contact companies that may be trading in their personal information.

HB 4017 A STAFF MEASURE SUMMARY

House Bill 4017 A requires data brokers handling the personal information of Oregonians to register annually with the Department of Consumer and Business Services, who must make the information of all registrants available to the public on the agency's website. The registration is designed to support comprehensive data privacy legislation that is currently being developed by the Attorney General's Consumer Privacy Task Force and is similar to the data broker registration requirements enacted in California and Vermont.