

**HB 2052 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Mannix

**Joint Committee On Ways and Means**

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**Action Date:** 06/02/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**House Vote**

**Yeas:** 12 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Reschke, Sanchez, Smith G, Valderrama

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Exc:** 1 - Girod

**Prepared By:** Patrick Heath, Department of Administrative Services

**Reviewed By:** Ben Ruef, Legislative Fiscal Office

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**Department of Consumer and Business Services**

**2023-25**

**Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 393,156	\$ 393,156	100.0%
Total	\$ -	\$ -	\$ 393,156	\$ 393,156	100.0%

**Position Summary**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.76	1.76

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

Other Funds revenues to support the work of House Bill 2052 come from fees charged on data brokers. Fee revenues must be sufficient to pay the cost of administering the program. The bill also allows the Department of Consumer and Business Services (DCBS) to impose civil penalties of up to \$10,000 per licensee per year for violations of the requirements of the bill.

**Summary of Human Services Subcommittee Action**

House Bill 2052 requires data brokers to register annually with DCBS. The bill defines a data broker as a business which collects, sells, or licenses brokered personal data to another business and makes exceptions for consumer reporting agencies, financial institutions or their affiliates, or businesses, which collect data about customers, employees, investors, or donors. DCBS needs to notify consumers about their rights under this measure and develop a webpage to make the data available to both data brokers and consumers.

The Subcommittee recommended \$393,156 Other Funds expenditure limitation and two permanent full-time positions (1.76 FTE) to implement the program. This includes \$319,413 Other Funds for one Compliance Specialist 2 (0.88 FTE) to establish program requirements, serve on the rules advisory committee, work with the National Multi-State Licensing System (NMLS) to resolve issues, interact with licensees, and identify instances of non-compliance to refer for enforcement, and one Program Analyst 2 (0.88 FTE) to provide education and outreach to data brokers and consumers, serve on the rules advisory committee, answer questions from data brokers and consumers, and develop and maintain the public-facing website. Also included is \$73,743 Other Funds for Services and Supplies costs, which includes \$23,440 Other Funds for the cost of rulemaking and \$50,303 Other Funds for position-related Services and Supplies.

DCBS will use the NMLS, a platform for licensing and registering non-depository financial services for participating state agencies, to meet the new licensing requirements of the bill. If NMLS does not provide the needed functionality, DCBS may need to procure a stand-alone system through the public procurement process, which may increase the costs of the solution.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**Department of Consumer and Business Services**  
**Patrick Heath - 503-983-8670**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<b>SCR 018 - Division of Financial Regulation</b>									
Personal Services	\$ -	\$ -	\$ 319,413	\$ -	\$ -	\$ -	\$ 319,413	2	1.76
Services and Supplies	\$ -	\$ -	\$ 73,743	\$ -	\$ -	\$ -	\$ 73,743		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 393,156	\$ -	\$ -	\$ -	\$ 393,156	2	1.76
SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 393,156	\$ -	\$ -	\$ -	\$ 393,156	2	1.76