



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2015 Biennium

**Bill #** HB0400

**Title:** Revise laws related to personal information privacy

**Primary Sponsor:** Zolnikov, Daniel

**Status:** As Introduced

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2  | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget        | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

|   | <u>FY 2014</u><br><u>Difference</u>       | <u>FY 2015</u><br><u>Difference</u> | <u>FY 2016</u><br><u>Difference</u> | <u>FY 2017</u><br><u>Difference</u> |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Expenditures:</b>                    | -----Cannot be Reasonably Determined----- |                                     |                                     |                                     |
| <b>Revenue:</b>                         | -----Cannot be Reasonably Determined----- |                                     |                                     |                                     |
| <b>Net Impact-General Fund Balance:</b> | -----Cannot be Reasonably Determined----- |                                     |                                     |                                     |

**Description of fiscal impact:** The fiscal impact of implementing a Montana personal information protection act is likely substantial but cannot be reasonably determined.

### FISCAL ANALYSIS

#### Assumptions:

1. HB 400 would fundamentally change state government business processes. The fiscal impact of these broad changes cannot be fully understood nor be reasonably estimated in the time allowed to complete a fiscal note, but are anticipated to be substantial.
2. State agencies would be required to conduct extensive studies of all business processes to determine which processes involve the collection and storage of personal information and then determine appropriate disclosures and procedural safeguards.
3. All paper and online forms would have to be reviewed for data collection elements as well as possible modification to include a section obtaining consent to use information.
4. This study would have to be completed by July 1, 2013 in order to notice individuals of proposed rulemaking in order to implement HB 400 by October 1, 2013.
5. State agencies would be required to design and implement systems that can track personal information and develop a process for its removal.
6. Costs associated with implementing the far reaching provisions of this bill are likely to be significant but cannot be reasonably determined at this time.

**Effect on County or Other Local Revenues or Expenditures:**

1. HB 400 would fundamentally change county and local government business processes. The fiscal impact of these broad changes cannot be fully understood nor be reasonably estimated in the time allowed to complete a fiscal note, but are anticipated to be significant.

**Technical Notes:**

1. HB 400 is not clear on how consent is to be given in the case of an online transaction. The redaction, edit, or removal of information also presents challenges that are not addressed.
2. HB 400 is unclear if the record erasure requirements apply only to records provided with consent or if the record erasure requirements also apply to records provided without consent. If it applies to records provided with consent then the erasure provisions do not conflict with the record retention requirements. If the erasure provisions apply to records provided without consent, then there is a conflict between record retention requirements that require documents be retained for certain periods of time and HB 400 which requires documents be erased within 60 days of request.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*