

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7186
BILL NUMBER: SB 358

NOTE PREPARED: Jan 4, 2022
BILL AMENDED:

SUBJECT: Personal Information and Social Media Policies.

FIRST AUTHOR: Sen. Brown L
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Establishes a new article in the Indiana Code concerning the security and privacy of personal information.
- (2) Sets forth the following within the new article:
 - (1) General duties of businesses that collect personal information about Indiana consumers.
 - (2) The rights of Indiana consumers to do the following:
 - (A) Request information about the personal information businesses collect about them.
 - (B) Delete personal information collected about them by businesses.
 - (C) Request that a business correct inaccurate personal information about them.
 - (D) Request that a business that sells personal information to disclose the types of information sold and to whom it was sold.
 - (E) Opt out of the sale or sharing of personal information (or opt into such sale or sharing in the case of a consumer less than 16 years of age).
- (3) Prohibits a business from discriminating against a consumer for exercising any of these rights.
- (4) Provides that the consumer protection division of the office of the Attorney General is responsible for the administration and enforcement of these provisions.
- (5) Requires the Attorney General to adopt rules to implement these provisions.
- (6) Provides that a violation of these provisions is a deceptive consumer act that is actionable under the deceptive consumer sales act by a consumer or the Attorney General.
- (7) Establishes a new article in the Indiana Code concerning the disclosure of certain administrative procedures used by social media services.
- (8) Includes within this new article the requirement that an owner or operator of a social media service publish on the social media service's Internet web site the procedures, standards, policies, algorithms, or other

mechanisms used by the owner or operator for:

- (1) determining how content is selected for dissemination to users of the service;
- (2) evaluating user-created content for compliance with the service's terms of service;
- (3) imposing penalties on users for violating the service's terms of service; and
- (4) facilitating an appeal by a user of:
 - (A) a finding that the user has violated the service's terms of service; or
 - (B) a penalty imposed on the user for such a violation.

(9) Provides that a violation of this requirement is actionable by the Attorney General as a deceptive consumer sales act.

Effective Date: July 1, 2022.

Explanation of State Expenditures: This bill provides regulation of businesses that collect personal information as well as information disclosure requirements for social media providers. Violation of the bill's regulations is punishable as a deceptive act actionable by the Attorney General. To the extent the Attorney General enforces provisions of this bill, agency workload would increase to investigate and potentially prosecute allegations.

The bill's requirements represent an additional workload [and/or expenditure] on the agency outside of the agency's routine administrative functions, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Explanation of State Revenues: Deceptive acts discovered by the Attorney General carry a maximum \$5,000 civil penalty for each violation that benefits the General Fund. If this bill increases the number of deceptive acts discovered in the state, revenue to the General Fund will increase from civil penalties paid by violators. Actual increases in revenue are unknown but expected to be small.

A consumer may also take action for violations of the bill's provisions. A civil costs fee of \$100 would be assessed when a civil case is filed. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A portion of the fee revenue is deposited into the State User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures:

Explanation of Local Revenues: If additional civil actions occur and court fees are collected, local governments would receive additional revenue from both a portion of the civil costs fee and other fees that would be collected.

State Agencies Affected: Attorney General.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

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