

# OFFICE OF FISCAL ANALYSIS

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sSB-4

## AN ACT CONCERNING CONSUMER PRIVACY AND PROTECTION.

As Amended by Senate "A" (LCO 4531)

Senate Calendar No.: 196

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Consumer Protection, Dept.	GF - Cost	706,544	275,392
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	86,377	115,169
Consumer Protection, Dept.	Data Broker Registration Account - Various	See Below	See Below
Consumer Protection, Dept.	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund; Various=Various

**Municipal Impact:** None

#### **Explanation**

The bill requires the Department of Consumer Protection (DCP) to register and regulate data brokers, establish and maintain an accessible deletion mechanism program, and enforce various civil penalties/fines resulting in the following costs:

- DCP does not have the resources or expertise to develop the deletion mechanism program and will need to hire a consultant to create the program for a cost of approximately

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

\$500,000 in FY 27.

- To meet the requirements of the bill DCP will need to hire three new positions<sup>2</sup> for a salary and other expenses cost of \$206,544 in FY 27<sup>3</sup> and \$275,392 in FY 28, along with associated fringe benefit costs of \$86,377 in FY 27 and \$115,169 in FY 28.

The bill also creates various civil penalties, fees, and fines which result in a potential revenue gain to the data broker registration account (described below):

- Requires data brokers to be licensed by DCP and pay an initial registration and subsequent annual renewal fees of \$2,500.
- Allows DCP to charge an unspecified fee amount for each registered data broker that accesses the deletion mechanism program.
- Allows DCP to impose a civil penalty of up to \$200 per day for any violation of sections 2 to 8.

Section 8 establishes a data broker registration account and requires all the civil penalties and fees described above to be deposited into this account resulting in a potential revenue gain to the extent the civil penalties and fees occur. DCP is required to use the funds in the account to support the accessible deletion mechanism program resulting in a potential cost to the account<sup>4</sup>.

The bill also makes various changes concerning consumer privacy and protection resulting in no fiscal impact to the state.

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<sup>2</sup>The positions include a legal program manager, license and application specialist, and staff attorney.

<sup>3</sup>Costs in FY 27 reflect nine months of expenditures due to the bill's 10/1/26 effective date.

<sup>4</sup> To the extent the account receives funding, DCP can use this funding to support the program which will decrease the costs to the General Fund.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases, the number of licenses applied for, the number of violations, and inflation.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*