Description

House File 2506 creates new Iowa Code chapter 715D. The Bill provides consumers with personal data rights to invoke at any time, outlines these rights, and establishes regulations for controllers and processors of personal data.

Persons or companies that control or process personal data of 100,000 or more consumers or who control or process personal data of 25,000 or more consumers with more than 50.0% of gross revenue derived from the sale of personal data are subject to the provisions of this Bill. The State, political subdivisions of the State, and other organizations noted in the Bill are exempt from the provisions of this Bill.

The Bill grants the Attorney General exclusive authority to enforce the provisions of Iowa Code chapter 715D and requires the Attorney General to investigate controllers and processors of personal data upon reasonable cause for violations of provisions of the Bill. A controller or processor found to be in violation of provisions of the Bill is subject to a civil penalty of up to $7,500 per violation. The Attorney General shall recover reasonable expenses for expenses related to the investigation. Moneys collected under this Bill, including civil penalties and attorney fees, are deposited into the Consumer Education and Litigation Fund. The Bill takes effect January 1, 2024.

Background

The Consumer Education and Litigation Fund is created in Iowa Code section 714.16C and is administered by the Attorney General. The Fund is used for consumer education and investigation and prosecution of consumer fraud. Use of the Fund is restricted by law.

Assumptions

- Enforcement of Iowa Code chapter 715D will be funded from the Consumer Education and Litigation Fund.
- Revenue from civil penalties, attorney fees, and other revenue collected under HF 2506 and deposited into the Consumer Education and Litigation Fund will cover all costs associated with enforcing the provisions of this Bill.

Fiscal Impact

It is estimated that the fiscal impact of HF 2506 will be net neutral. The Bill provides that expenses, fees, and penalties shall be paid into the Consumer Education and Litigation Fund. These revenues are estimated to offset any costs associated with a successful enforcement action under the Bill. However, the timing and amount of revenues and expenditures is uncertain.
Source
Office of the Attorney General

/s/ Holly M. Lyons
March 1, 2022

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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