

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

Revision 1

March 24, 2003

**TO:** Honorable John Whitmire, Chair, Senate Committee on Criminal Justice

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB405** by Hinojosa (Relating to the prevention of, prosecution of, and punishment of identity theft and to assistance to certain victims of identity theft; providing penalties. ), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would require the Office of Attorney General (OAG) to establish an identity theft unit responsible for assisting and training local law enforcement agencies in investigating identity theft offenses. Law enforcement officers would be required to complete a training program on identity theft in order to obtain an intermediate proficiency certificate.

An identity theft offense could be prosecuted by the OAG or by the prosecuting attorney in the county in which the offense occurred or in a district court in Travis County. The OAG would be entitled to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, including reasonable attorney's fees, court costs, and investigatory costs. Amounts collected by the OAG would be deposited into the General Revenue Fund and would be used only for investigating and prosecuting identity theft cases.

A state or local government entity would be prohibited from disclosing certain personal identity information except under certain circumstances and to other governmental entities. The OAG would be authorized to adopt rules to govern disclosure. Each state and local government entity would also be required to develop a privacy policy relating to records containing personal identity information.

The Department of Information Resources would be required to adopt rules prescribing minimum privacy standards with which an Internet site or portal maintained by or for a state or local governmental entity must comply.

The State Auditor's Office (SAO) would be required to establish auditing guidelines to ensure that state and local governmental entities over which the SAO has authority to audit do not routinely collect or retain personal identity information beyond meeting minimum necessities.

The Office of the Attorney General indicates that there would be an additional cost of \$233,840 in fiscal year 2004 and \$213,940 in each future year, along with a need for 4 additional FTEs, to establish and operate a theft identity unit. The OAG also estimates a one-time technology expense of \$4,300 for network stations.

It is assumed that expenses associated with responsibilities of other state agencies as described in the bill could be absorbed within current resources.

#### Local Government Impact

It is anticipated that expenses for training law enforcement officers regarding identity theft would be included in existing training budgets and therefore may be insignificant. However, costs to local government entities that maintain records that contain personal identity information could

be significant to establish separate systems of records that can or cannot be disclosed or to redact information from existing records. For automated record systems, generally, new programming costs are incurred. There would be a cost of staff time to research records in manual systems or records that are archived in microfilm. County clerks have indicated these expenses are significant. The cost would vary by county and depend upon the type of recordkeeping systems already in place.

**Source Agencies:** 302 Office of the Attorney General, 450 Savings and Loan Department, 451 Department of Banking, 466 Office of Consumer Credit Commissioner

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