

Department of Planning and Budget 2003 Fiscal Impact Statement

1. **Bill Number** HB2426

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron** Nixon

3. **Committee** General Laws

4. **Title** Posting certain information on the Internet; prohibitions.

5. **Summary/Purpose:** Require every agency and court clerk to assure that any document posted on the Internet for public access not contain the following information: (i) an actual signature; (ii) a social security number; (iii) a date of birth identified with a particular person; (iv) the maiden name of a person's parents to be identified with a particular person; (v) any financial account number or numbers; or (vi) the name and age of any minor child. Any party who files a document in any form with such agency or clerk shall provide a redacted copy of such documents in addition to an original. Failure to do so relieves the agency or clerk of any liability or responsibility in the event that such information is posted on the Internet. Each agency and clerk is required to post notice that (a) includes a list of the documents routinely posted, (b) the information required to be redacted from documents, and (c) documents are for informational purposes only. Such notices shall indicate the location and accessibility of the official copy of such document.

6. **Fiscal Impact Estimates:** *Preliminary*; See Item 8.

7. **Budget amendment necessary:** No.

8. **Fiscal implications:** The proposed legislation would theoretically have no fiscal impact if state agencies and court clerks do not post records with this information on the Internet. It would, though, have a potentially significant fiscal impact on various state agencies and clerks' offices if this information needed to be revised to address this legislation's requirements in order to allow it to be posted on the Internet.

The level of impact on state agencies appears to vary. For instance, the Department of State Police projected a minimal impact. In contrast, the Library of Virginia stated that it would be forced to remove its information from the Internet because it cannot afford the costly review and modification of items that had been digitized via a \$250,000 grant from the Mellon Foundation. According to the Library of Virginia, this bill could affect websites of academic and research institutions and public libraries across the state. In addition, it is possible that the Payline and Employee Direct websites, although secured systems, could fall under this bill. Payline lists financial information and social security numbers. Employee Direct identifies dependents, including minors, which the bill prohibits.

The Compensation Board provided potential fiscal impacts of this legislation on two large and small circuit court clerk offices. The small offices used to illustrate the potential impact were Wise County and Scott County. Wise County projected a fiscal impact of \$50,000 annually to set up technology operations to store two separate documents on separate servers and scanning twice as many documents. If it is required to ensure historical information meets the limitations of the bill, then hundreds of thousands of pages will need to be reviewed in order to redact personal identifying information, costing additional thousands of dollars. Wise County noted that making a determination of a valid signature is important. If the grantor and notary signatures are redacted, one cannot properly make a determination as to validity. Scott County estimated the fiscal impact of the proposed legislation to be \$35,000 plus 2.5 additional deputy clerk positions. The Compensation Board reports that the state's share of one fully funded deputy clerk position would cost about \$20,772 per year.

The large clerk offices used by the Compensation Board to illustrate the potential fiscal impact of the proposed legislation were Arlington and Fairfax. Arlington reported recording 60,000 deeds last year (2002). They also stated that a minimum of four additional deputy clerk positions would be needed to review documents submitted for recordation. Fairfax stated that this bill would force the clerk to take down the on-line service that currently has 350 subscribers. This would require an offsite location with 100 viewing stations (with printers and staff) in order to provide service to those that need access to the data (i.e., title examiners, etc.). Fairfax also noted that the offsite location would need extended hours to accommodate users (evenings and Saturdays). Fairfax estimated a fiscal impact of \$500,000 annually and a minimum of four additional deputy clerk positions. Again, the Compensation Board reported that the state's share of one fully funded deputy clerk position would cost about \$20,772 per year.

9. Specific agency or political subdivisions affected: Various state agencies, court clerks statewide.

10. Technical amendment necessary: No.

11. Other comments: None.

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cc: Secretary of Administration
Secretary of Finance