Local Government Mandate Statement Kentucky Legislative Research Commission 2023 Regular Session

Part I: Measure Information

Bill Request #: 2
Bill #: SB 15 GA
Document ID #: 6417
Bill Subject/Title: AN ACT relating to consumer data privacy.
Sponsor: Senator Whitney Westerfield
Unit of Government: X City X County X Urban-County
X Charter County X Consolidated Local X Government
Office(s) Impacted: Local government legislative bodies
Requirement: X Mandatory Optional
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 15 GA would create new sections of KRS Chapter 367 to be known as "The Consumer Data Protection Act." The bill largely excludes local governments from its requirements and applies to:

Persons that conduct business in this state or produce products or services that are targeted to residents of this state and that during a calendar year:

- (a) Control or process personal data of at least 25,000 consumers; or
- (b) Derive over 40 percent of gross revenue from the sale of personal data.

SB 15 GA Section 11 would establish that the Act supersedes and preempts all rules, regulations, codes, ordinances, and other laws adopted by a city, county, charter county, urban-county government, consolidated local government, unified local government,

municipality, or local agency regarding processing of personal data by controllers or processors.

The fiscal impact of SB 15 GA on local governments is indeterminable, but expected to be minimal. It is doubtful any local governments in Kentucky currently have laws regarding processing of personal data by controllers or processors; however, those who do would need to overhaul ordinances that conflict with the provisions of SB 15 GA.

Amending ordinances would require the services of an attorney, and publication costs. According to Kentucky League of Cities, most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting an ordinance is influenced by its complexity and the amount of research that is necessary. The latest estimate of the sum paid by cities to their attorneys is an average hourly rate of \$107-\$117. Rates for publishing legal notices vary greatly depending on the length of the notice, the number of times it needs to be published and the newspaper in which the publication is placed. In 2022, the City of Hopkinsville spent approximately \$12,000 publishing ordinances and notice of public hearings. One city newspaper reports that it charges the city \$18-\$21 dollars a column inch for city advertisements. It reports the average city advertisement is approximately 2"x5" or 10 column inches, for an average of \$180-\$210 per ad, or a total between approximately \$9,360-\$10,920 per year for publishing one ad each week.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II applies to SB 15 GA. The GA version adopts the Senate Committee Substitute and Senate Floor Amendment 3, which does not change the fiscal impact on local governments from the bill as introduced.

Data Source(s): City of Hopkinsville; Elizabethtown News-Enterprise; Kentucky League

of Cities

Preparer: Mary Stephens (RB) **Reviewer:** KHC **Date:** 3/24/23