

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1021-01
Bill No.: HB 564
Subject: Education, Elementary and Secondary; Education, Higher; Employees -
Employers
Type: Original
Date: February 27, 2017

Bill Summary: This proposal establishes the Password Privacy Protection Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration - Administrative Hearing Commission**, the **Office of Administration - Budget and Planning**, the **Office of Administration - Personnel**, the **Office of Administration - Information Technology Services Division**, the **Department of Agriculture**, the **Attorney General's Office**, the **State Auditor's Office**, the **Department of Conservation**, the **Department of Corrections**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Missouri Ethics Commission**, the **Missouri House of Representatives**, the **Department of Public Safety - Gaming Commission**, the **Governor's Office**, the **Department of Health and Senior Services**, the **Department of Higher Education**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Joint Committee on Administrative Rules**, the **Department of Labor and Industrial Relations**, the **Lottery Commission**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Missouri Consolidated Health Care Plan**, the **Missouri State Employees' Retirement System**, the **State Highway Employees Retirement System**, the **Office of Prosecution Services**, the **State Public Defender's Office**, the **Office of State Courts Administrator**, the **Department of Revenue**, the **Missouri Senate**, the **Department of Social Services**, **Missouri Tax Commission**, the **State Treasurer's Office**, the **Department of Transportation**, the **Department of Public Safety - Alcohol and Tobacco**, the **Department of Public Safety - Capitol Police**, the **Department of Public Safety - Director's Office**, the **Department of Public Safety - Fire Safety Division**, the **Department of Public Safety - Highway Patrol**, the **Department of Public Safety - State Emergency Management Agency**, and the **Department of Public Safety - Missouri Veterans Commission** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Officials at the **City of Kansas City** assume this proposal would not have a fiscal impact on their organization.

Officials at the **Callaway County** assume this proposal would not have a fiscal impact on their organization.

Officials at the **St. Louis Community College, Missouri State University, Missouri Western State University, Northwest Missouri State University, State Technical College of Missouri, Truman State University, University of Central Missouri, and University of Missouri** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the school districts of **Concordia R-II** and **Forsyth R-III** assume this proposal could have a negative impact on their organization.

R-III, and West Plains R-VII each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill adds protection for students in elementary and secondary public and private schools regarding their passwords and social media accounts. In its main provisions, the bill prohibits an educational institution from:

FISCAL DESCRIPTION (continued)

(1) Requiring, requesting, or coercing a student or prospective student to disclose any information that would allow access to his or her personal social media account or access a personal social media account in the presence of a school employee or school volunteer;

(2) Compelling a student or prospective student to add a school employee or volunteer to his or her list of contacts associated with his or her personal social media account; and

(3) Taking any action or threatening to take any action to discharge, discipline or otherwise penalize a student due to his or her refusal to provide information, to add a school employee or school volunteer to his or her list of contacts associated with his or her personal social media account, or failing or refusing to admit any prospect student as a result of his or her refusal to disclose the information or add one of the persons to his or her list of contacts.

The bill allows an education institution to access information about a student or prospective student that is publicly available and to request or require a student or prospective student to share specific content that has been reported to the school as part of a specified investigation. The educational institution may prohibit students from using a personal social media account for school purposes or accessing or operating a personal social media account during school hours or while on school property.

If an educational institution violates these provisions, it must be an unlawful employment practice, and the student or prospective student may bring a cause of action for general or specific damages.

This bill also establishes the Password Privacy Protection Act.

The bill:

(1) Prohibits an employer from requesting or requiring an employee or applicant to disclose any user name, password, or other means for accessing a personal online account or service;

(2) Prohibits an employer or employment agency from requiring an employee or applicant to add the employer or employment agency to the employee's or applicant's list of contacts associated with a personal email account, including Facebook accounts and similar services;

(3) Prohibits an employer from discharging, disciplining, or penalizing or threatening to discharge, discipline, or penalize an employee for his or her refusal to disclose the information or from failing or refusing to hire an applicant for the refusal;

FISCAL DESCRIPTION (continued)

- (4) Allows an employer to request or require an employee to disclose any user name, password, or other authentication means for accessing an electronic communications device paid for in whole or in part by the employer or any account or services provided by the employer used by the employee for business purposes or as a result of the employee's employment relationship with the employer;
- (5) Prohibits an employee from transferring an employer's proprietary or confidential information or financial data to an employee's personal online account or service without the employer's authorization;
- (6) Specifies that the act must not be construed to prevent an employer from engaging in specified investigatory activities; from disciplining or discharging an employee for transferring an employer's proprietary or confidential information or financial data to an employee's personal online account or service without authorization; from restricting or prohibiting employee access to certain websites using employer provided equipment or resources; or from monitoring, reviewing, accessing, or blocking data stored on an electronic communications device paid for in whole or in part by the employer;
- (7) Specifies that an employer must not be prohibited or restricted from viewing, accessing, or utilizing information about an employee or applicant that can be obtained without using a user name, password, or other means or that is available to the public; and
- (8) Specifies that the act must not be construed to prevent an employer from complying with state or federal laws or regulations or rules of self-regulatory organizations as that term is defined in federal regulation 15 U.S.C. Section 78c(a)(26) or to prohibit an employer from requesting an employee to provide an email for business purposes. However, an employer cannot disclose the email address to any third party.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

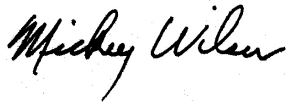
Office of Administration - Administrative Hearing Commission
Office of Administration - Budget and Planning
Office of Administration - Personnel
Office of Administration - Information Technology Services Division
Department of Agriculture
Attorney General's Office

SOURCES OF INFORMATION (continued)

State Auditor's Office
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Missouri Ethics Commission
Missouri House of Representatives
Department of Public Safety - Gaming Commission
Governor's Office
Department of Health and Senior Services
Department of Higher Education
Missouri House of Representatives
Department of Insurance, Financial Institutions and Professional Registration
Joint Committee on Administrative Rules
Department of Labor and Industrial Relations
Lottery Commission
Department of Mental Health
Department of Natural Resources
Department of Revenue
Missouri Senate
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri State Employees' Retirement System
State Highway Employees Retirement System
Office of Prosecution Services
State Public Defender's Office
Office of State Courts Administrator
Office of Secretary of State
Missouri Tax Commission
State Treasurer's Office
Department of Transportation
Department of Public Safety - Alcohol and Tobacco
Department of Public Safety - Capitol Police
Department of Public Safety - Director's Office
Department of Public Safety - Fire Safety Division
Department of Public Safety - Highway Patrol
Department of Public Safety - State Emergency Management Agency
Department of Public Safety - Missouri Veterans Commission
City of Kansas City
Callaway County
St. Louis Community College

SOURCES OF INFORMATION (continued)

Missouri State University
Missouri Western State University
Northwest Missouri State University
State Technical College of Missouri
Truman State University
University of Central Missouri
University of Missouri
School Districts of:
 Concordia R-II
 Forsyth R-III
 City of Kansas City
 Kearney R-I
 Kirksville R-III
 West Plains R-VII



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February 27, 2017

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February 27, 2017