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H.467

Introduced by Representatives Botzow of Pownal, Marcotte of Coventry, and
O’Sullivan of Burlington

Referred to Committee on

Date:

Subject: Commerce and Trade; protection of personal information; data broker

Statement of purpose of bill as introduced: This bill proposes to regulate data
brokers by:

(1) imposing a registration and reporting requirement;

(2) requiring data brokers to implement a customer identification
program; and

(3) requiring public agencies to maintain a record of the sale of any
personal information to a data broker.

An act relating to the regulation of data brokers

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. chapter 62, subchapter 5 is added to read:

Subchapter 5. Data Broker Protection Act

§ 2446a. DEFINITIONS

As used in this section:

1 (1) “Data broker” means a commercial entity that collects, assembles, or
2 maintains personal information concerning individuals residing in Vermont
3 who are not customers or employees of that entity for the purposes of selling or
4 offering for sale, or other consideration, the personal information of a third
5 party.

6 (2) “Personal information” means the following information that
7 identifies, relates to, describes, or is capable of being associated with a
8 particular individual:

9 (A) Social Security number, passport number, driver’s license or
10 State identification card number, insurance policy number, bank account
11 number, credit card number, debit card number, or any other financial
12 information;

13 (B) physical characteristics or description;

14 (C) purchasing history;

15 (D) charitable contribution history;

16 (E) medical history or status as derived from purchase history;

17 (F) legal history, including criminal record, civil actions and
18 judgments;

19 (G) profile that includes personality, characteristics, or mental health;

20 (H) social media history;

21 (I) Internet usage history;

- 1 (J) licensing or real property history;
2 (K) driving record; and
3 (L) vital statistics, including birth, marriage, divorce, and death
4 records.

5 (3) “Public agency” has the same meaning as in 1 V.S.A. § 317.

6 § 2446b. DATA BROKER REGISTRATION; REPORTING

7 (a) A data broker shall register with the Department of Financial
8 Regulation in the form and manner prescribed by the Department.

9 (b) Annually, on or before January 15 each year, a data broker shall submit
10 a report to the Department of Financial Regulation on its activities in the State.
11 The report shall include the source of the personal information, the nature of
12 the personal information, and a description of the data broker’s vetting
13 procedures.

14 § 2446c. CUSTOMER IDENTIFICATION PROGRAM

15 A data broker shall have a written customer identification program that
16 includes certain minimum requirements, as set forth in guidelines established
17 by the Department of Financial Regulation. A data broker’s customer
18 identification program is intended to enable the data broker to form a
19 reasonable belief that it knows the true identity of any customer purchasing
20 personal information, and that the customer is not purchasing the information
21 for an illegal purpose

1 § 2446d. PUBLIC AGENCY; SALE OF DATA; RECORDKEEPING

2 REQUIREMENTS

3 Any public agency that sells personal information to a data broker shall
4 maintain a record of the sale, including the name of the data broker and the
5 nature of the personal information sold. Nothing in this section shall be
6 construed to authorize a public agency to sell personal information the sale or
7 release of which is prohibited by law.

8 § 2446e. ENFORCEMENT

9 With respect to a data broker registered pursuant to this subchapter, the
10 Department of Financial Regulation and the Attorney General shall have full
11 authority to investigate potential violations of this subchapter and to prosecute,
12 obtain, and impose remedies for a violation of this subchapter or any rules or
13 regulations adopted pursuant to this subchapter, as the Department has under
14 Title 8 or this title and the Attorney General has under chapter 63 of this title.

15 Sec. 2. EFFECTIVE DATE

16 This act shall take effect on July 1, 2017.