

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

2 Subchapter 5. Third-Party Data Broker Protection Act

3 § 2446a. DEFINITIONS

4 As used in this subchapter:

5 (1) “Person” has the same meaning as used in 1 V.S.A. § 128.

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           (4) “Third-Party Data broker” means:

7           (A) a commercial entity that acquires, purchases, collects, assembles,  
8 analyzes, or maintains personal information concerning any person residing in  
9 Vermont for the purposes of selling or offering for sale or other consideration,  
10 to a third party, the personal information or predictive analytics relating to the  
11 personal information. As used in this subdivision, a third party does not  
12 include a wholly-owned subsidiary of a commercial entity.

13           (B) A third-party data broker does not include:

14           (i) a commercial entity that:

15           (I) acquires, purchases, collects, assembles, analyzes, or  
16 maintains personal information solely concerning any person who is a  
17 customer or employee of that entity; or

18           (II) sells or offers for sale or other consideration, personal  
19 information or predictive analytics relating to the personal information solely  
20 concerning any person who is a customer or employee of that entity;

1                   (ii) a commercial entity that acquires, purchases, collects,  
2                   assembles, analyzes, or maintains personal information concerning any person  
3                   residing in Vermont, solely for the purposes of marketing to an existing or  
4                   potential client or vetting or investigating an employee or potential  
5                   employee; and

6                   (iii) a financial institution, as defined in 8 V.S.A. § 11101(32).

7                   § 2446b. THIRD-PARTY DATA BROKER REGISTRATION; REPORTING

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

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

15                  (c) The Commissioner may exempt a third-party data broker from the  
16                  requirements of subsection (a) of this section if the third-party data broker is  
17                  required to register with the Department under any other provision of law and  
18                  the Commissioner deems the exemption appropriate.

19                  § 2446c. CUSTOMER IDENTIFICATION PROGRAM

20                  A third-party data broker shall have a written customer identification  
21                  program that includes certain minimum requirements, as set forth in guidelines

1 established by the Department of Financial Regulation. A third-party data  
2 broker's customer identification program is intended to enable the third-party  
3 data broker to form a reasonable belief that it knows the true identity of any  
4 customer purchasing personal information, and that the customer is not  
5 purchasing the information for an illegal purpose

6 § 2446d. PUBLIC AGENCY; SALE OF DATA; RECORDKEEPING

7 REQUIREMENTS

8 Any public agency that sells personal information to a third-party data  
9 broker shall maintain a record of the sale, including the name of the third-party  
10 data broker and the nature of the personal information sold. Nothing in this  
11 section shall be construed to authorize a public agency to sell personal  
12 information the sale or release of which is prohibited by law.

13 § 2446e. ENFORCEMENT

14 With respect to a third-party data broker registered pursuant to this  
15 subchapter, the Department of Financial Regulation and the Attorney General  
16 shall have full authority to investigate potential violations of this subchapter  
17 and to prosecute, obtain, and impose remedies for a violation of this subchapter  
18 or any rules or regulations adopted pursuant to this subchapter, as the  
19 Department has under Title 8 or this title and the Attorney General has under  
20 chapter 63 of this title.

H. 467 – Alternative Language  
4/13/2017  
Rebecca Wasserman

1 **Sec. 2. THIRD-PARTY DATA BROKER; DEPARTMENT OF FINANCIAL**

2 **REGULATION; GUIDANCE**

3 On or before December 15, 2017, the Department of Financial Regulation

4 shall develop and publish guidance for third-party data brokers on

5 implementing the requirements of this act.

6 **Sec. 3. EFFECTIVE DATES**

7 (a) Sec. 1 shall take effect on July 1, 2018.

8 (b) Sec. 2 and this section shall take effect on July 1, 2017.