

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred Senate Bill No. 110 entitled “An act relating to data privacy”
4 respectfully reports that it has considered the same and recommends that the
5 House propose to the Senate that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Data Privacy; State Government * * *

8 Sec. 1. DATA PRIVACY INVENTORY

9 (a) On or before January 15, 2020, the following persons shall conduct a
10 data privacy inventory and submit a report for their respective branches of
11 State government to the House Committees on Commerce and Economic
12 Development and on Government Operations and to the Senate Committees on
13 Economic Development, Housing and General Affairs and on Government
14 Operations:

15 (1) the State Court Administrator for the judicial branch;

16 (2) the Deputy Director for Information Technology within the Office of
17 Legislative Council for the legislative branch; and

18 (3) the Chief Data Officer within the Agency of Digital Services and the
19 Chief Records Officer within the Office of the Secretary of State for the
20 executive branch.

1 (b) The inventory and report for each branch shall address the collection
2 and management of personally identifiable information, as defined in 9 V.S.A.
3 § 2430, and of street addresses, e-mail addresses, telephone numbers, and
4 demographic information, specifically:

5 (1) federal and State laws, rules, and regulations that:

6 (A) exempt personally identifiable information from public
7 inspection and copying pursuant to 1 V.S.A. § 317;

8 (B) require personally identifiable information to be produced or
9 acquired in the course of State government business;

10 (C) specify fees for obtaining personally identifiable information
11 produced or acquired in the course of State government business; and

12 (D) require personally identifiable information to be shared between
13 branches of State government or between branches and non-state entities,
14 including municipalities;

15 (2) arrangements or agreements, whether verbal or written, between
16 branches of State government or between branches and non-state entities,
17 including municipalities, to share personally identifiable information, street
18 addresses, e-mail addresses, telephone numbers, and demographic information;
19 and

1 (9) “Login credentials” means a consumer’s user name or email address,
2 in combination with a password or an answer to a security question, that
3 together permit access to an online account.

4 (9) (10)(A) “Personally identifiable information” means a consumer’s
5 first name or first initial and last name, or a consumer’s Social Security
6 number, in combination with any one or more of the following digital data
7 elements, when ~~either the name~~ if the Social Security number or the data
8 elements are not encrypted, or redacted, or protected by another method that
9 renders them unreadable or unusable by unauthorized persons:

10 (i) a Social Security number;

11 (ii) motor vehicle operator’s license number or nondriver
12 identification card number a driver license or non-driver State identification
13 card number, individual taxpayer identification number, passport number,
14 military identification card number, or other identification number that
15 originates from a government identification document that is commonly used
16 to verify identity for a commercial transaction;

17 (iii) a financial account number or credit or debit card number, if
18 circumstances exist in which the number could be used without additional
19 identifying information, access codes, or passwords;

20 (iv) a account passwords password, or personal identification
21 numbers number, or other access codes code for a financial account;

1 (v) unique biometric data generated from measurements or
2 technical analysis of human body characteristics used by the owner or licensee
3 of the data to identify or authenticate the consumer, such as a fingerprint, retina
4 or iris image, or other unique physical representation or digital representation
5 of biometric data;

6 (vi) genetic information; and

7 (vii) health information about a consumer's medical history,
8 mental condition, or physical condition, or about a health care professional's
9 medical diagnosis or treatment of the consumer; and

10 (viii) user name or email address, in combination with a password
11 or an answer to a security question, that together permit access to an online
12 account.

13 (vii)(I) medical history, medical treatment by a health care
14 professional, or diagnosis of mental or physical condition by a health care
15 professional; or

16 (II) health status information that a data collector requests or
17 generates through inferences.

18 (B) “Personally identifiable information” does not mean publicly
19 available information that is lawfully made available to the general public from
20 federal, State, or local government records.

1 ~~(10)~~ (11) “Record” means any material on which written, drawn, spoken,
2 visual, or electromagnetic information is recorded or preserved, regardless of
3 physical form or characteristics.

4 ~~(11)~~ (12) “Redaction” means the rendering of data so that the data are
5 unreadable or are truncated so that no more than the last four digits of the
6 identification number are accessible as part of the data.

7 ~~(12)~~ (13) (A) “Security breach” means unauthorized acquisition of,
8 electronic data or a reasonable belief of an unauthorized acquisition of,
9 electronic data that compromises the security, confidentiality, or integrity of a
10 consumer’s personally identifiable information or login credentials maintained
11 by a data collector.

12 (B) “Security breach” does not include good faith but unauthorized
13 acquisition of personally identifiable information or login credentials by an
14 employee or agent of the data collector for a legitimate purpose of the data
15 collector, provided that the personally identifiable information or login
16 credentials ~~is~~ are not used for a purpose unrelated to the data collector’s
17 business or subject to further unauthorized disclosure.

18 (C) In determining whether personally identifiable information or
19 login credentials ~~has~~ have been acquired or is reasonably believed to have been
20 acquired by a person without valid authorization, a data collector may consider
21 the following factors, among others:

1 (i) indications that the information is in the physical possession and
2 control of a person without valid authorization, such as a lost or stolen
3 computer or other device containing information;

4 (ii) indications that the information has been downloaded or
5 copied;

6 (iii) indications that the information was used by an unauthorized
7 person, such as fraudulent accounts opened or instances of identity theft
8 reported; or

9 (iv) that the information has been made public.

10 Sec. 3. 9 V.S.A. § 2435 is amended to read:

11 § 2435. NOTICE OF SECURITY BREACHES

12 (a) This section shall be known as the Security Breach Notice Act.

13 (b) Notice of breach.

14 (1) Except as ~~set forth otherwise provided~~ in subsection (d) of this
15 section, any data collector that owns or licenses computerized personally
16 identifiable information or login credentials ~~that includes personal information~~
17 ~~concerning a consumer~~ shall notify the consumer that there has been a security
18 breach following discovery or notification to the data collector of the breach.
19 Notice of the security breach shall be made in the most expedient time possible
20 and without unreasonable delay, but not later than 45 days after the discovery
21 or notification, consistent with the legitimate needs of the law enforcement

1 agency, as provided in subdivisions (3) and (4) of this subsection (b), or with
2 any measures necessary to determine the scope of the security breach and
3 restore the reasonable integrity, security, and confidentiality of the data system.

4 (2) Any data collector that maintains or possesses computerized data
5 containing personally identifiable information or login credentials of a
6 consumer that the data collector does not own or license or any data collector
7 that acts or conducts business in Vermont that maintains or possesses records
8 or data containing personally identifiable information or login credentials that
9 the data collector does not own or license shall notify the owner or licensee of
10 the information of any security breach immediately following discovery of the
11 breach, consistent with the legitimate needs of law enforcement as provided in
12 subdivisions (3) and (4) of this subsection (b).

13 (3) A data collector or other entity subject to this subchapter shall
14 provide notice of a breach to the Attorney General or to the Department of
15 Financial Regulation, as applicable, as follows:

16 (A) A data collector or other entity regulated by the Department of
17 Financial Regulation under Title 8 or this title shall provide notice of a breach
18 to the Department. All other data collectors or other entities subject to this
19 subchapter shall provide notice of a breach to the Attorney General.

20 (B)(i) The data collector shall notify the Attorney General or the
21 Department, as applicable, of the date of the security breach and the date of

1 discovery of the breach and shall provide a preliminary description of the
2 breach within 14 business days, consistent with the legitimate needs of the law
3 enforcement agency as provided in this subdivision (3) and subdivision (4) of
4 this subsection (b), of the data collector's discovery of the security breach or
5 when the data collector provides notice to consumers pursuant to this section,
6 whichever is sooner.

7 (ii) Notwithstanding subdivision (B)(i) of this subdivision (b)(3), a
8 data collector who, prior to the date of the breach, on a form and in a manner
9 prescribed by the Attorney General, had sworn in writing to the Attorney
10 General that it maintains written policies and procedures to maintain the
11 security of personally identifiable information **or login credentials** and respond
12 to a breach in a manner consistent with Vermont law shall notify the Attorney
13 General of the date of the security breach and the date of discovery of the
14 breach and shall provide a description of the breach prior to providing notice of
15 the breach to consumers pursuant to subdivision (1) of this subsection (b).

16 (iii) If the date of the breach is unknown at the time notice is sent
17 to the Attorney General or to the Department, the data collector shall send the
18 Attorney General or the Department the date of the breach as soon as it is
19 known.

20 (iv) Unless otherwise ordered by a court of this State for good
21 cause shown, a notice provided under this subdivision (3)(B) shall not be

1 disclosed to any person other than the Department, the authorized agent or
2 representative of the Attorney General, a State’s Attorney, or another law
3 enforcement officer engaged in legitimate law enforcement activities without
4 the consent of the data collector.

5 (C)(i) When the data collector provides notice of the breach pursuant
6 to subdivision (1) of this subsection (b), the data collector shall notify the
7 Attorney General or the Department, as applicable, of the number of Vermont
8 consumers affected, if known to the data collector, and shall provide a copy of
9 the notice provided to consumers under subdivision (1) of this subsection (b).

10 (ii) The data collector may send to the Attorney General or the
11 Department, as applicable, a second copy of the consumer notice, from which
12 is redacted the type of personally identifiable information or login credentials
13 that was subject to the breach, and which the Attorney General or the
14 Department shall use for any public disclosure of the breach.

15 (4)(A) The notice to a consumer required by this subsection shall be
16 delayed upon request of a law enforcement agency. A law enforcement agency
17 may request the delay if it believes that notification may impede a law
18 enforcement investigation, or a national or Homeland Security investigation or
19 jeopardize public safety or national or Homeland Security interests. In the
20 event law enforcement makes the request for a delay in a manner other than in
21 writing, the data collector shall document such request contemporaneously in

1 writing, including the name of the law enforcement officer making the request
2 and the officer's law enforcement agency engaged in the investigation. A law
3 enforcement agency shall promptly notify the data collector in writing when
4 the law enforcement agency no longer believes that notification may impede a
5 law enforcement investigation, or a national or Homeland Security
6 investigation or jeopardize public safety or national or Homeland Security
7 interests. The data collector shall provide notice required by this section
8 without unreasonable delay upon receipt of a written communication, which
9 includes facsimile or electronic communication, from the law enforcement
10 agency withdrawing its request for delay.

11 (B) A Vermont law enforcement agency with a reasonable belief that
12 a security breach has or may have occurred at a specific business shall notify
13 the business in writing of its belief. The agency shall also notify the business
14 that additional information on the security breach may need to be furnished to
15 the Office of the Attorney General or the Department of Financial Regulation
16 and shall include the website and telephone number for the Office and the
17 Department in the notice required by this subdivision. Nothing in this
18 subdivision shall alter the responsibilities of a data collector under this section
19 or provide a cause of action against a law enforcement agency that fails,
20 without bad faith, to provide the notice required by this subdivision.

1 (5) The notice to a consumer shall be clear and conspicuous. The notice
2 shall include a description of each of the following, if known to the data
3 collector:

4 (A) the incident in general terms;

5 (B) the type of personally identifiable information that was subject to
6 the security breach;

7 (C) the general acts of the data collector to protect the personally
8 identifiable information from further security breach;

9 (D) a telephone number, toll-free if available, that the consumer may
10 call for further information and assistance;

11 (E) advice that directs the consumer to remain vigilant by reviewing
12 account statements and monitoring free credit reports; and

13 (F) the approximate date of the security breach.

14 (6) A data collector may provide notice of a security breach to a
15 consumer by one or more of the following methods:

16 (A) Direct notice, which may be by one of the following methods:

17 (i) written notice mailed to the consumer's residence;

18 (ii) electronic notice, for those consumers for whom the data
19 collector has a valid e-mail address if:

20 (I) the data collector's primary method of communication with
21 the consumer is by electronic means, the electronic notice does not request or

1 contain a hypertext link to a request that the consumer provide personal
2 information, and the electronic notice conspicuously warns consumers not to
3 provide personal information in response to electronic communications
4 regarding security breaches; or

5 (II) the notice is consistent with the provisions regarding
6 electronic records and signatures for notices in 15 U.S.C. § 7001; or

7 (iii) telephonic notice, provided that telephonic contact is made
8 directly with each affected consumer and not through a prerecorded message.

9 (B)(i) Substitute notice, if:

10 (I) the data collector demonstrates that the lowest cost of
11 providing notice to affected consumers pursuant to subdivision (6)(A) of this
12 subsection among written, e-mail, or telephonic notice ~~to affected consumers~~
13 would exceed ~~\$5,000.00~~ \$10,000.00; or

14 (II) ~~the class of affected consumers to be provided written or~~
15 ~~telephonic notice exceeds 5,000; or~~

16 (III) the data collector does not have sufficient contact
17 information.

18 (ii) A data collector shall provide substitute notice by:

19 (I) conspicuously posting the notice on the data collector's
20 website if the data collector maintains one; and

21 (II) notifying major statewide and regional media.

1 (c) In the event a data collector provides notice to more than 1,000
2 consumers at one time pursuant to this section, the data collector shall notify,
3 without unreasonable delay, all consumer reporting agencies that compile and
4 maintain files on consumers on a nationwide basis, as defined in 15 U.S.C. §
5 1681a(p), of the timing, distribution, and content of the notice. This subsection
6 shall not apply to a person who is licensed or registered under Title 8 by the
7 Department of Financial Regulation.

8 (d)(1) Notice of a security breach pursuant to subsection (b) of this section
9 is not required if the data collector establishes that misuse of ~~personal~~
10 ~~information personally identifiable information or login credentials~~ is not
11 reasonably possible and the data collector provides notice of the determination
12 that the misuse of the ~~personal information personally identifiable information~~
13 ~~or login credentials~~ is not reasonably possible pursuant to the requirements of
14 this subsection (d). If the data collector establishes that misuse of the ~~personal~~
15 ~~information personally identifiable information or login credentials~~ is not
16 reasonably possible, the data collector shall provide notice of its determination
17 that misuse of the ~~personal information personally identifiable information or~~
18 ~~login credentials~~ is not reasonably possible and a detailed explanation for said
19 determination to the Vermont Attorney General or to the Department of
20 Financial Regulation in the event that the data collector is a person or entity
21 licensed or registered with the Department under Title 8 or this title. The data

1 collector may designate its notice and detailed explanation to the Vermont
2 Attorney General or the Department of Financial Regulation as “trade secret”
3 if the notice and detailed explanation meet the definition of trade secret
4 contained in 1 V.S.A. § 317(c)(9).

5 (2) If a data collector established that misuse of ~~personal information~~
6 ~~personally identifiable information or login credentials~~ was not reasonably
7 possible under subdivision (1) of this subsection (d), and subsequently obtains
8 facts indicating that misuse of the ~~personal information personally identifiable~~
9 ~~information or login credentials~~ has occurred or is occurring, the data collector
10 shall provide notice of the security breach pursuant to subsection (b) of this
11 section.

12 (3) If a security breach is limited to an unauthorized acquisition of
13 personally identifiable information comprising a consumer’s name or Social
14 Security number and login credentials, as specified in subdivision
15 2430(9)(A)(viii) of this title, for an online account other than an email account:

16 (A) the data collector shall provide notice of the security breach
17 to the consumer electronically [or by another reasonable method? – specify?]
18 and shall advise the consumer to take steps necessary to protect the online
19 account, including to change his or her login credentials for the account and for
20 any other account for which the consumer uses the same login credentials; and

1 (B) if the personally identifiable information was login credentials
2 were acquired directly from the data collector [or its agent], the data collector
3 shall provide notice of the security breach to the Attorney General or
4 Department of Financial Regulation, as applicable.

5 (4) If a security breach is limited to an unauthorized acquisition of
6 personally identifiable information comprising a consumer's name or Social
7 Security number and login credentials, as specified in subdivision
8 2430(9)(A)(viii) of this title, for an email account:

9 (A) the data collector shall not provide notice of the security breach
10 through the email account; and

11 (B) the data collector shall provide notice of the security breach
12 [through another reasonable method? -specify?], including [by clear and
13 conspicuous notice delivered to the consumer online when the consumer is
14 connected to the {online account?} from an Internet protocol address or online
15 location from which the data collector knows the consumer customarily
16 accesses {the account}]

17 (e) Any person subject to this chapter and to the Health Insurance
18 Portability and Accountability Act of 1996 (P.L. 104-191, as amended)
19 (HIPAA) which maintains procedures for Security Breach notification
20 pursuant to HIPAA is deemed to be in compliance with this chapter as it
21 pertains to security breaches involving PII that only includes Protected Health

1 Information (as defined by HIPAA) or health insurance policy numbers, if the
2 person notifies affected Vermont residents in accordance with the maintained
3 procedures when a breach of security occurs.

4 (g) A data collector that is subject to the privacy, security, and breach
5 notification rules adopted in 45 C.F.R. Part 164 pursuant to the federal Health
6 Insurance Portability and Accountability Act, P.L. 104-191 (1996) is deemed
7 to be in compliance with this subchapter if:

8 (1) the data collector experiences a security breach that is limited to
9 personally identifiable information or login credentials that meet the definition
10 of personal health information under the Act; and

11 (2) the data collector provides notice to affected consumers pursuant to
12 the requirements of the breach notification rule.

13 (f) Any waiver of the provisions of this subchapter is contrary to public
14 policy and is void and unenforceable.

15 ~~(f)~~ (g) Except as provided in subdivision (3) of this subsection (f), a
16 financial institution that is subject to the following guidances, and any
17 revisions, additions, or substitutions relating to an interagency guidance shall
18 be exempt from this section:

19 (1) The Federal Interagency Guidance Response Programs for
20 Unauthorized Access to Consumer Information and Customer Notice, issued
21 on March 7, 2005, by the Board of Governors of the Federal Reserve System,

1 the Federal Deposit Insurance Corporation, the Office of the Comptroller of
2 the Currency, and the Office of Thrift Supervision.

3 (2) Final Guidance on Response Programs for Unauthorized Access to
4 Member Information and Member Notice, issued on April 14, 2005, by the
5 National Credit Union Administration.

6 (3) A financial institution regulated by the Department of Financial
7 Regulation that is subject to subdivision (1) or (2) of this subsection (f) shall
8 notify the Department as soon as possible after it becomes aware of an incident
9 involving unauthorized access to or use of personally identifiable information.

10 ~~(g)~~ (h) Enforcement.

11 (1) With respect to all data collectors and other entities subject to this
12 subchapter, other than a person or entity licensed or registered with the
13 Department of Financial Regulation under Title 8 or this title, the Attorney
14 General and State's Attorney shall have sole and full authority to investigate
15 potential violations of this subchapter and to enforce, prosecute, obtain, and
16 impose remedies for a violation of this subchapter or any rules or regulations
17 made pursuant to this chapter as the Attorney General and State's Attorney
18 have under chapter 63 of this title. The Attorney General may refer the matter
19 to the State's Attorney in an appropriate case. The Superior Courts shall have
20 jurisdiction over any enforcement matter brought by the Attorney General or a
21 State's Attorney under this subsection.

1 (2) With respect to a data collector that is a person or entity licensed or
2 registered with the Department of Financial Regulation under Title 8 or this
3 title, the Department of Financial Regulation shall have the full authority to
4 investigate potential violations of this subchapter and to prosecute, obtain, and
5 impose remedies for a violation of this subchapter or any rules or regulations
6 adopted pursuant to this subchapter, as the Department has under Title 8 or this
7 title or any other applicable law or regulation.

8 * * * Student Data Privacy * * *

9 Sec. 4. 9 V.S.A. chapter 62, subchapter 3A is added to read:

10 Subchapter 3A: Student Privacy

11 § 2443. DEFINITIONS

12 As used in this subchapter:

13 (1) “Covered information” means personal information or material, or
14 information that is linked to personal information or material, in any media or
15 format that is:

16 (A)(i) not publicly available; or

17 (ii) made publicly available pursuant to the federal Family
18 Educational and Rights and Privacy Act; and

19 (B)(i) created by or provided to an operator by a student or the
20 student’s parent or legal guardian in the course of the student’s, parent’s, or

1 legal guardian’s use of the operator’s site, service, or application for PreK–12
2 school purposes;

3 (ii) created by or provided to an operator by an employee or agent
4 of a school or school district for PreK–12 school purposes; or

5 (iii) gathered by an operator through the operation of its site,
6 service, or application for PreK–12 school purposes and personally identifies a
7 student, including information in the student’s education record or electronic
8 mail; first and last name; home address; telephone number; electronic mail
9 address or other information that allows physical or online contact; discipline
10 records; test results; special education data; juvenile dependency records;
11 grades; evaluations; criminal records; medical records; health records; social
12 security number; biometric information; disability status; socioeconomic
13 information; food purchases; political affiliations; religious information; text
14 messages; documents; student identifiers; search activity; photos; voice
15 recordings; or geolocation information.

16 (2) “PreK–12 school purposes” means purposes that are directed by or
17 that customarily take place at the direction of a school, teacher, or school
18 district; aid in the administration of school activities, including instruction in
19 the classroom or at home, administrative activities, and collaboration between
20 students, school personnel, or parents; or are otherwise for the use and benefit
21 of the school.

1 (3) “Operator” means, to the extent that an entity is operating in this
2 capacity, the operator of an Internet website, online service, online application,
3 or mobile application with actual knowledge that the site, service, or
4 application is used primarily for PreK–12 school purposes and was designed
5 and marketed for PreK–12 school purposes.

6 (4) “School” means:

7 (A) a public or private preschool, kindergarten, elementary or
8 secondary educational institution, vocational school, special educational
9 agency or institution; and

10 (B) a person, agency, or institution that maintains school student
11 records from more than one of the entities described in subdivision (6)(A) of
12 this section.

13 (5) “Targeted advertising” means presenting advertisements to a student
14 where the advertisement is selected based on information obtained or inferred
15 over time from that student’s online behavior, usage of applications, or covered
16 information. The term does not include advertising to a student at an online
17 location based upon that student’s current visit to that location or in response to
18 that student’s request for information or feedback, without the retention of that
19 student’s online activities or requests over time for the purpose in whole or in
20 part of targeting subsequent ads.

21 § 2443a. OPERATOR PROHIBITIONS

1 (a) An operator shall not knowingly do any of the following with respect to
2 its site, service, or application:

3 (1) Engage in targeted advertising on the operator’s site, service, or
4 application or target advertising on any other site, service, or application if the
5 targeting of the advertising is based on any information, including covered
6 information and persistent unique identifiers, that the operator has acquired
7 because of the use of that operator’s site, service, or application for PreK–12
8 school purposes;

9 (2) Use information, including a persistent unique identifier, that is
10 created or gathered by the operator’s site, service, or application to amass a
11 profile about a student, except in furtherance of PreK–12 school purposes.
12 “Amass a profile” does not include the collection and retention of account
13 information that remains under the control of the student, the student’s parent
14 or legal guardian, or the school.

15 (3) Sell, barter, or rent a student’s information, including covered
16 information. This subdivision (3) does not apply to the purchase, merger, or
17 other type of acquisition of an operator by another entity if the operator or
18 successor entity complies with this subchapter regarding previously acquired
19 student information.

20 (4) Except as otherwise provided in section 2443c of this title, disclose
21 covered information, unless the disclosure is made for one or more of the

1 following purposes and is proportionate to the identifiable information
2 necessary to accomplish the purpose:

3 (A) to further the PreK–12 school purposes of the site, service, or
4 application, provided:

5 (i) the recipient of the covered information does not further
6 disclose the information except to allow or improve operability and
7 functionality of the operator’s site, service, or application; and

8 (ii) the covered information is not used for a purpose inconsistent
9 with this subchapter;

10 (B) to ensure legal and regulatory compliance or take precautions
11 against liability;

12 (C) to respond to judicial process;

13 (D) to protect the safety or integrity of users of the site or others or
14 the security of the site, service, or application;

15 (E) for a school, educational, or employment purpose requested by
16 the student or the student’s parent or legal guardian, provided that the
17 information is not used or further disclosed for any other purpose; or

18 (F) to a third party if the operator contractually prohibits the third
19 party from using any covered information for any purpose other than providing
20 the contracted service to or on behalf of the operator, prohibits the third party
21 from disclosing any covered information provided by the operator to

1 subsequent third parties, and requires the third party to implement and
2 maintain reasonable security procedures and practices.

3 (b) This section does not prohibit an operator’s use of information for
4 maintaining, developing, supporting, improving, or diagnosing the operator’s
5 site, service, or application.

6 § 2443b. OPERATOR DUTIES

7 An operator shall:

8 (1) implement and maintain reasonable security procedures and
9 practices appropriate to the nature of the covered information and designed to
10 protect that covered information from unauthorized access, destruction, use,
11 modification, or disclosure;

12 (2) delete, within a reasonable time period and to the extent practicable,
13 a student’s covered information if the school or school district requests
14 deletion of covered information under the control of the school or school
15 district, unless a student or his or her parent or legal guardian consents to the
16 maintenance of the covered information; and

17 (3) publicly disclose and provide the school with material information
18 about its collection, use, and disclosure of covered information, including
19 publishing a term of service agreement, privacy policy, or similar document.

20 § 2443c. PERMISSIVE USE OR DISCLOSURE

1 An operator may use or disclose covered information of a student under the
2 following circumstances:

3 (1) if other provisions of federal or State law require the operator to
4 disclose the information and the operator complies with the requirements of
5 federal and State law in protecting and disclosing that information;

6 (2) for legitimate research purposes as required by State or federal law
7 and subject to the restrictions under applicable State and federal law or as
8 allowed by State or federal law and under the direction of a school, school
9 district, or the State Board of Education if the covered information is not used
10 for advertising or to amass a profile on the student for purposes other than for
11 PreK–12 school purposes; and

12 (3) disclosure to a State or local educational agency, including schools
13 and school districts, for PreK–12 school purposes as permitted by State or
14 federal law.

15 § 2443d. OPERATOR ACTIONS THAT ARE NOT PROHIBITED

16 This subchapter does not prohibit an operator from doing any of the
17 following:

18 (1) using covered information to improve educational products if that
19 information is not associated with an identified student within the operator’s
20 site, service, or application or other sites, services, or applications owned by
21 the operator;

1 (2) using covered information that is not associated with an identified
2 student to demonstrate the effectiveness of the operator’s products or services,
3 including in their marketing;

4 (3) sharing covered information that is not associated with an identified
5 student for the development and improvement of educational sites, services, or
6 applications;

7 (4) using recommendation engines to recommend to a student either of
8 the following:

9 (A) additional content relating to an educational, other learning, or
10 employment opportunity purpose within an online site, service, or application
11 if the recommendation is not determined in whole or in part by payment or
12 other consideration from a third party; or

13 (B) additional services relating to an educational, other learning, or
14 employment opportunity purpose within an online site, service, or application
15 if the recommendation is not determined in whole or in part by payment or
16 other consideration from a third party; and

17 (5) responding to a student’s request for information or for feedback
18 without the information or response being determined in whole or in part by
19 payment or other consideration from a third party.

20 § 2443e. APPLICABILITY

21 This subchapter does not:

1 (1) limit the authority of a law enforcement agency to obtain any content
2 or information from an operator as authorized by law or under a court order;

3 (2) limit the ability of an operator to use student data, including covered
4 information, for adaptive learning or customized student learning purposes;

5 (3) apply to general audience Internet websites, general audience online
6 services, general audience online applications, or general audience mobile
7 applications, even if login credentials created for an operator’s site, service, or
8 application may be used to access those general audience sites, services, or
9 applications;

10 (4) limit service providers from providing Internet connectivity to
11 schools or students and their families;

12 (5) prohibit an operator of an Internet website, online service, online
13 application, or mobile application from marketing educational products
14 directly to parents if the marketing did not result from the use of covered
15 information obtained by the operator through the provision of services covered
16 under this subchapter;

17 (6) impose a duty upon a provider of an electronic store, gateway,
18 marketplace, or other means of purchasing or downloading software or
19 applications to review or enforce compliance with this subchapter on those
20 applications or software;

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3 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE