

February 29, 2024

To: Rep. Michael Marcotte, Chair, House Committee on Commerce & Economic Development
Rep. Monique Priestley, Clerk, House Committee on Commerce & Economic Development
Members of the House Committee on Commerce & Economic Development

From: Tina Zuk, Government Relations Director, American Heart Association

Re: H.121 proposed change

We would appreciate your consideration of the following proposed change to H.121 requested by the American Heart Association (AHA).

The AHA supports consumer data privacy and the Vermont Legislature's desire to establish important consumer protections. AHA uses industry standard security protocols to protect our donors' and volunteers' information, and readily make our privacy policy available to the public. We do, however, have some concerns that the current version of H.121 will create unintended consequences in the form of significant compliance costs for non-profit organizations.

Every dollar that a public charity must devote to data privacy compliance is a dollar that we cannot use to further our missions. For AHA, this means less going toward funding cardiovascular research, setting clinical guidelines for cardiac and stroke care, and providing CPR training materials and courses that are used throughout the U.S.

Moreover, when a public charity like AHA does not commercialize that data (i.e., sell it), the costs are even more painful. Donors expect their funds to support the mission, not for handling consumer data questions and portability support requests, and they can easily read the privacy policies and charity watchdog ratings to see how their data is used.

With that in mind, we recommend connecting 501(c)3 nonprofit compliance with this legislation to the <u>Better Business Bureau Wise Giving Alliance Standards for Charity</u> <u>Accountability</u>. By following these standards, we can demonstrate that we are following the spirit and intent of H.121, while removing the more burdensome process of demonstrating this compliance. There are 20 detailed standards that must be met by non-profits included in the BBB Standards for Charity Accountability which can be found in the link above and attachment included with my testimony.

We appreciate that there are already limited exemptions for nonprofit organizations in the bill under Sections 2417 (a)(15) and (16). We believe that it makes sense to add one

more limited, tailored exemption for "501(c)(3) organizations that are registered with the state and comply with the Better Business Bureau Wise Giving Alliance Standards for Charity Accountability."

Thank you for your consideration of our feedback. We are very open to conversations on how to best work towards this exemption (or similar language) and stand ready to work with you to find the right solutions that meet the needs of both nonprofit organizations and the people of Vermont.

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