



**House Committee on Commerce and Economic Development
May 1, 2025**

MEMORANDUM IN OPPOSITION TO H. 208

The Receivables Management Association International (RMAI), a trade association trade association of over 600 members composed of banks, non-bank lenders, debt purchasers and the companies that serve them, respectfully opposes H. 208.

The Private Right of Action Invites Frivolous Lawsuits

As proposed, § 2424(d) provides for a private right of action if a large data holder violates § 2419(c), concerning the processing of sensitive information, or § 2425 relating to health data, and allows for the recovery of attorney's fees. RMAI opposes this inclusion for two reasons.

First, HB 3041 would make Vermont an outlier as none of the other nineteen states that have enacted consumer data privacy laws include a such a broad private right of action.¹

Second, it is our experience such provisions provide incentive for plaintiffs' attorneys to file lawsuits against our members alleging the most ridiculous claims. Although these cases are routinely dismissed, the plaintiff's bar knows the cost to settle these claims is far less than our members' cost to defend them and have them dismissed. We believe H. 208 will open a floodgate of litigation.

For these reasons, RMAI respectfully recommends the deletion of the provisions relating to a private right of action in § 2424(d) of H. 208.

Thank you for your time and consideration, and please let us know if we can be of assistance.

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¹ Only California includes a private right of action, and it is limited to security breaches involving specific types of personal information. Cal Civ Code § 1798.150.