

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was  
3 referred Senate Bill No. 71 entitled “An act relating to consumer data privacy  
4 and online surveillance” respectfully reports that it has considered the same  
5 and recommends that the House propose to the Senate that the bill be amended  
6 by striking out all after the enacting clause and inserting in lieu thereof the  
7 following:

8 Sec. 1. 9 V.S.A. chapter 61A is added to read:

9 CHAPTER 61A. DATA PRIVACY

10 Subchapter 1. Vermont Data Privacy and Online Surveillance Act

11 § 2415a. SHORT TITLE AND DEFINITIONS

12 (a) Short title. This subchapter shall be known and may be cited as the  
13 “Vermont Data Privacy and Online Surveillance Act.”

14 (b) Definitions. As used in this subchapter:

15 (1)(A) “Affiliate” means a legal entity that shares common branding  
16 with another legal entity or controls, is controlled by, or is under common  
17 control with another legal entity.

18 (B) As used in subdivision (A) of this subdivision (1), “control” or  
19 “controlled” means:

20 (i) ownership of, or the power to vote, more than 50 percent of the  
21 outstanding shares of any class of voting security of a company;

1                   (ii) control in any manner over the election of a majority of the  
2                   directors or of individuals exercising similar functions; or

3                   (iii) the power to exercise controlling influence over the  
4                   management of a company.

5                   (2) “Authenticate” means to use reasonable means to determine that a  
6                   request to exercise any of the rights afforded under subdivisions 2415d(a)(1)–  
7                   (5) of this subchapter is being made by, or on behalf of, the consumer who is  
8                   entitled to exercise the consumer rights with respect to the personal data at  
9                   issue.

10                  (3)(A) “Biometric data” means data generated from the technological  
11                  processing of an individual’s unique biological, physical, or physiological  
12                  characteristics that allow or confirm the unique identification of the consumer,  
13                  including:

14                   (i) iris or retina scans;

15                   (ii) fingerprints;

16                   (iii) facial or hand mapping, geometry, or templates;

17                   (iv) vein patterns;

18                   (v) voice prints or vocal biomarkers; and

19                   (vi) gait or personally identifying physical movement or patterns.

20                  (B) “Biometric data” does not include:

21                   (i) a digital or physical photograph;

1                   (ii) an audio or video recording; or

2                   (iii) any data generated from a digital or physical photograph or an  
3 audio or video recording, unless such data is generated to identify a specific  
4 individual.

5                   (4) “Business associate” has the same meaning as in HIPAA.

6                   (5) “Child” has the same meaning as in COPPA.

7                   (6) “Collect” means buying, renting, gathering, obtaining, receiving, or  
8 accessing any personal data by any means. This includes receiving data from  
9 the consumer, either actively or passively, or by observing the consumer’s  
10 behavior.

11                  (7)(A) “Consent” means a clear affirmative act signifying a consumer’s  
12 freely given, specific, informed, and unambiguous agreement to allow the  
13 processing of personal data relating to the consumer.

14                  (B) “Consent” may include a written statement, including by  
15 electronic means, or any other unambiguous affirmative action.

16                  (C) “Consent” does not include:

17                   (i) acceptance of a general or broad terms of use or similar  
18 document that contains descriptions of personal data processing along with  
19 other, unrelated information;

20                   (ii) hovering over, muting, pausing, or closing a given piece of  
21 content; or

1           (iii) agreement obtained through the use of dark patterns.

2           (8)(A) “Consumer” means an individual who is a resident of the State.

3           (B) “Consumer” does not include an individual acting in a  
4           commercial or employment context or as an employee, owner, director, officer,  
5           or contractor of a company, partnership, sole proprietorship, nonprofit  
6           organization, or government agency whose communications or transactions  
7           with the controller occur solely within the context of that individual’s role with  
8           the company, partnership, sole proprietorship, nonprofit organization, or  
9           government agency.

10           (9) “Consumer health data” means any personal data that a controller  
11           uses to identify a consumer’s physical or mental health condition or diagnosis,  
12           or status, including gender-affirming health data and reproductive or sexual  
13           health data.

14           (10) “Consumer health data controller” means any controller that, alone  
15           or jointly with others, determines the purpose and means of processing  
16           consumer health data.

17           (11) “Consumer reporting agency” has the same meaning as in the Fair  
18           Credit Reporting Act, 15 U.S.C. § 1681a(f).

19           (12)(A) “Contextual advertising” or “contextual advertisement” means  
20           displaying or presenting an advertisement that does not vary based on the  
21           identity of the individual recipient and is based solely on:

1                    (i) the immediate content of a web page or online service within  
2                    which the advertisement appears; or

3                    (ii) a specific request of the consumer for information or feedback.

4                    (B) A controller may use the following types of information to  
5                    display a contextual advertisement:

6                    (i) technical specifications as are necessary for the ad to be  
7                    delivered and displayed properly on a given device;

8                    (ii) a consumer’s immediate presence in a geographic area with a  
9                    radius not smaller than 10 miles, or an area reasonably estimated to include  
10                   online activity from at least 5,000 users, but not including precise geolocation  
11                   data; and

12                   (iii) the consumer’s language preferences, as inferred from  
13                   context, browser settings, or user settings.

14                   (C) A controller using information pursuant to subdivision (B) of this  
15                   subdivision (12) to display a contextual advertisement shall not use that  
16                   information to make inferences about a consumer, profile a consumer, or for  
17                   any other purpose, and the controller shall not prohibit a consumer from using  
18                   technical means to obfuscate or change a consumer’s physical location to  
19                   specify a language preference.

20                   (13) “Controller” means a person who, alone or jointly with others,  
21                   determines the purpose and means of processing personal data.

1           (14) “COPPA” means the Children’s Online Privacy Protection Act of  
2           1998, 15 U.S.C. § 6501–6506, and any regulations, rules, guidance, and  
3           exemptions adopted pursuant to the act, as the act and regulations, rules,  
4           guidance, and exemptions may be amended.

5           (15) “Covered entity” has the same meaning as in HIPAA.

6           (16) “Credit union” has the same meaning as in 8 V.S.A. § 30101.

7           (17) “Dark pattern” means a user interface designed or manipulated with  
8           the substantial effect of subverting or impairing user autonomy, decision  
9           making, or choice and includes any practice the Federal Trade Commission  
10          refers to as a “dark pattern.”

11          (18) “Decisions that produce legal or similarly significant effects  
12          concerning the consumer” means any decision made by the controller, or on  
13          behalf of the controller, that results in the provision or denial by the controller  
14          of any financial or lending service, any housing, any insurance, any education  
15          enrollment or opportunity, any criminal justice, any employment opportunity,  
16          or any health care services.

17          (19) “Deidentified data” means data that does not identify and cannot  
18          reasonably be used to infer information about, or otherwise be linked to, an  
19          identified or identifiable individual, or a device linked to the individual, if the  
20          controller that possesses the data:

1           (A)(i) takes reasonable measures to ensure that the data cannot be  
2           used to reidentify an identified or identifiable individual or be associated with  
3           an individual or device that identifies or is linked or reasonably linkable to an  
4           individual or household; and

5           (ii) for purposes of this subdivision (A), “reasonable measures”  
6           includes the deidentification requirements set forth under 45 C.F.R § 164.514  
7           (other requirements relating to uses and disclosures of protected health  
8           information);

9           (B) publicly commits to process the data only in a deidentified  
10          fashion and not attempt to reidentify the data; and

11          (C) contractually obligates any recipients of the data to comply with  
12          all provisions of this subchapter.

13          (20) “Derived data” means data that is created by the derivation of  
14          information, data, assumptions, correlations, inferences, predictions, or  
15          conclusions from facts, evidence, or another source of information or data  
16          about a consumer’s device.

17          (21) “Financial institution” as used in subdivision 2415c(a)(13) of this  
18          title has the same meaning as in 15 U.S.C. § 6809.

19          (22) “First party” means a consumer-facing controller with which the  
20          consumer intends or expects to interact.

1           (23) “First-party advertising” means processing by a first party of its  
2           own first-party data for the purposes of advertising and marketing and is  
3           carried out:

4                   (A) through direct communications with a consumer, such as direct  
5                   mail, email, or text message communications;

6                   (B) in a physical location operated by the first party; or

7                   (C) through the display or presentation of an advertisement on the  
8                   first party’s own website, application, or its other online content.

9           (24) “First-party data” means personal data collected directly from a  
10           consumer or by a first party in compliance with this subchapter, including  
11           based on a visit by the consumer to or use by the consumer of a website, a  
12           physical location, or an online service operated by the first party.

13           (25) “Gender-affirming health care services” has the same meaning as in  
14           1 V.S.A. § 150.

15           (26) “Gender-affirming health data” means any personal data  
16           concerning a past, present, or future effort made by a consumer to seek, or a  
17           consumer’s receipt of, gender-affirming health care services, including:

18                   (A) precise geolocation data that is used for determining a  
19                   consumer’s attempt to acquire or receive gender-affirming health care services;

20                   (B) efforts to research or obtain gender-affirming health care  
21                   services; and

1           (C) any gender-affirming health data that is derived from nonhealth  
2           information.

3           (27) “Genetic data” means any data, regardless of its format, that results  
4           from the analysis of a biological sample of an individual, or from another  
5           source enabling equivalent information to be obtained, and concerns genetic  
6           material, including deoxyribonucleic acids (DNA), ribonucleic acids (RNA),  
7           genes, chromosomes, alleles, genomes, alterations or modifications to DNA or  
8           RNA, single nucleotide polymorphisms (SNPs), epigenetic markers,  
9           uninterpreted data that results from analysis of the biological sample or other  
10          source, and any information extrapolated, derived, or inferred therefrom.

11          (28) “Geofence” means any technology that uses global positioning  
12          coordinates, cell tower connectivity, cellular data, radio frequency  
13          identification, wireless fidelity technology data, or any other form of location  
14          detection, or any combination of such coordinates, connectivity, data,  
15          identification, or other form of location detection, to establish a virtual  
16          boundary.

17          (29) “Health care facility” has the same meaning as in 18 V.S.A. § 9432.

18          (30) “HIPAA” means the Health Insurance Portability and  
19          Accountability Act of 1996, Pub. L. No. 104-191, as may be amended.

20          (31) “Identified or identifiable individual” means an individual who can  
21          be readily identified, directly or indirectly, including by reference to an

1 identifier such as a name, an identification number, precise geolocation data, or  
2 an online identifier.

3 (32) “Institution of higher education” means any individual who, or  
4 school, board, association, limited liability company, or corporation that, is  
5 licensed or accredited to offer one or more programs of higher learning leading  
6 to one or more degrees.

7 (33) “Marketing measurement” means measuring and reporting on  
8 marketing performance or media performance by the controller, including  
9 processing personal data for measurement and reporting of frequency,  
10 attribution, and performance, provided that such measurement data is not  
11 processed or transferred for any other purpose.

12 (34) “Mental health facility” means any health care facility in which at  
13 least 70 percent of the health care services provided in the facility are mental  
14 health services.

15 (35) “Minor” means any consumer who is younger than 18 years of age.

16 (36) “Neural data” means information that is collected through  
17 biosensors and that could be processed to infer or predict mental states.

18 (37) “Nonprofit organization” means any organization that is qualified  
19 for tax exempt status under I.R.C. § 501(c)(3), 501(c)(4), 501(c)(6), or  
20 501(c)(12), or any corresponding internal revenue code of the United States, as  
21 may be amended.

1           (38) “Nonpublic personal information” has the same meaning as in 1915  
2           U.S.C. § 6809.

3           (39) “Patient-identifying information” has the same meaning as in  
4           42 C.F.R. § 2.11 (confidentiality of substance use disorder patient records).

5           (40) “Person” means an individual, association, company, limited  
6           liability company, corporation, partnership, sole proprietorship, trust, or other  
7           legal entity.

8           (41)(A) “Personal data” means any information, including derived data  
9           and unique identifiers, that is linked or reasonably linkable, alone or in  
10           combination with other information, to an identified or identifiable individual  
11           or to a device that identifies, is linked to, or is reasonably linkable to one or  
12           more identified or identifiable individuals in a household.

13           (B) “Personal data” does not include deidentified data or publicly  
14           available information.

15           (42)(A) “Precise geolocation data” means information derived from  
16           technology that reveals the past or present physical location of a consumer or  
17           device that identifies or is linked or reasonably linkable to one or more  
18           consumers with precision and accuracy within a radius of 1,850 feet.

19           (B) “Precise geolocation data” does not include:

20           (i) the content of communications;

1                    (ii) data generated by or connected to an advanced utility metering  
2 infrastructure system;

3                    (iii) a photograph, or metadata associated with a photograph or  
4 video, that cannot be linked to an individual; or

5                    (iv) data generated by equipment used by a utility company.

6                    (43) “Process” or “processing” means any operation or set of operations  
7 performed, whether by manual or automated means, on personal data or on sets  
8 of personal data, such as the collection, use, storage, disclosure, analysis,  
9 deletion, modification, or otherwise handling of personal data.

10                  (44) “Processor” means a person who processes personal data on behalf  
11 of:

12                    (A) a controller;

13                    (B) another processor; or

14                    (C) a federal, state, tribal, or local government entity.

15                  (45) “Profiling” means any form of automated processing performed on  
16 personal data to evaluate, analyze, or predict personal aspects, including an  
17 individual’s economic situation, health, personal preferences, interests,  
18 reliability, behavior, location, movements, or identifying characteristics.

19                  (46) “Protected health information” has the same meaning as in HIPAA.

20                  (47) “Pseudonymous data” means personal data that cannot be attributed  
21 to a specific individual without the use of additional information, provided the

1 additional information is kept separately and is subject to appropriate technical  
2 and organizational measures to ensure that the personal data are not attributed  
3 to an identified or identifiable individual.

4 (48)(A) “Publicly available information” means information that:

5 (i) is made available through federal, state, or local government  
6 records or to the general public from widely distributed media; or

7 (ii) a controller has a reasonable basis to believe that the consumer  
8 has lawfully made available to the general public.

9 (B) “Publicly available information” does not include:

10 (i) biometric data collected by a business about a consumer  
11 without the consumer’s knowledge;

12 (ii) information that is collated and combined to create a consumer  
13 profile that is made available to a user of a publicly available website either in  
14 exchange for payment or free of charge;

15 (iii) information that is made available for sale;

16 (iv) an inference that is generated from the information described  
17 in subdivision (ii) or (iii) of this subdivision (48)(B);

18 (v) any obscene visual depiction, as defined in 18 U.S.C. § 1460;

19 (vi) personal data that is created through the combination of  
20 personal data with publicly available information;

1            (vii) genetic data, unless otherwise made publicly available by the  
2            consumer to whom the information pertains;

3            (viii) information provided by a consumer on a website or online  
4            service made available to all members of the public, for free or for a fee, where  
5            the consumer has maintained a reasonable expectation of privacy in the  
6            information, such as by restricting the information to a specific audience; or

7            (ix) intimate images, authentic or computer-generated, known to  
8            be nonconsensual.

9            (49) “Reproductive or sexual health care” has the same meaning as  
10           “reproductive health care services” in 1 V.S.A. § 150(c)(1).

11           (50) “Reproductive or sexual health data” means any personal data  
12           concerning an effort made by a consumer to seek, or a consumer’s receipt of,  
13           reproductive or sexual health care.

14           (51) “Reproductive or sexual health facility” means any health care  
15           facility in which at least 70 percent of the health care-related services or  
16           products rendered or provided in the facility are reproductive or sexual health  
17           care.

18           (52)(A) “Sale of personal data” means the exchange of a consumer’s  
19           personal data by the controller to a third party for monetary or other valuable  
20           consideration.

21           (B) “Sale of personal data” does not include:

1                   (i) the disclosure of personal data to a processor that processes the  
2 personal data on behalf of the controller;

3                   (ii) the disclosure of personal data to a third party for purposes of  
4 providing a product or service requested by the consumer;

5                   (iii) the disclosure or transfer of personal data to an affiliate of the  
6 controller;

7                   (iv) the disclosure, with the consumer’s consent, of personal data  
8 where the consumer directs the controller to disclose the personal data or  
9 intentionally uses the controller to interact with a third party; or

10                   (v) the disclosure or transfer of personal data to a third party as an  
11 asset that is part of a merger, acquisition, bankruptcy, or other transaction, or a  
12 proposed merger, acquisition, bankruptcy, or other transaction, in which the  
13 third party assumes control of all or part of the controller’s assets.

14                   (C) As used in subdivision (B) of this subdivision (52), “control” or  
15 “controlled” means:

16                   (i) ownership of, or the power to vote, more than 50 percent of the  
17 outstanding shares of any class of voting security of a company;

18                   (ii) control in any manner over the election of a majority of the  
19 directors or of individuals exercising similar functions; or

20                   (iii) the power to exercise controlling influence over the  
21 management of a company.

1           (53) “Sensitive data” means personal data that:

2                   (A) reveals a consumer’s government-issued identifier, such as a  
3           Social Security number, passport number, state identification card, or driver’s  
4           license number, that is not required by law to be publicly displayed;

5                   (B) reveals a consumer’s racial or ethnic origin, national origin,  
6           citizenship or immigration status, religious or philosophical beliefs, mental or  
7           physical health condition, diagnosis, disability or treatment, status as pregnant,  
8           income level or indebtedness, or union membership;

9                   (C) reveals a consumer’s sexual orientation, sex life, sexuality, or  
10           status as transgender or non-binary;

11                   (D) reveals a consumer’s status as a victim of a crime;

12                   (E) is a consumer’s tax return and account number, financial account  
13           log-in, financial account, debit card number, or credit card number in  
14           combination with any required security or access code, password, or  
15           credentials allowing access to an account;

16                   (F) is consumer health data;

17                   (G) is collected and analyzed concerning consumer health data that  
18           describes or reveals a past, present, or future mental or physical health  
19           condition, treatment, disability, or diagnosis, including pregnancy, to the extent  
20           the personal data is used by the controller for a purpose other than to identify a  
21           specific consumer’s physical or mental health condition or diagnosis;

1           (H) is biometric or genetic data or information derived therefrom;

2           (I) is collected from a consumer who a controller knew or should

3 have known is a minor;

4           (J) is precise geolocation data;

5           (K) are keystrokes;

6           (L) is driving behavior;

7           (M) is neural data; or

8           (N) are the online activities of a consumer over time and across

9 devices, websites, online applications, and mobile applications, that do not

10 share common branding, or data generated by, profiling performed on such

11 data.

12           (54)(A) “Targeted advertising” means displaying or presenting an online

13 advertisement to a consumer or to a device identified by a unique persistent

14 identifier, if the advertisement is selected based, in whole or in part, on known

15 or predicted preferences, characteristics, behavior, or interests associated with

16 the consumer or a device identified by a unique persistent identifier. “Targeted

17 advertising” includes displaying or presenting an online advertisement for a

18 product or service based on the previous interaction of a consumer or a device

19 identified by a unique persistent identifier with such product or service on a

20 website or online service that does not share common branding with the

1 website or online service displaying or presenting the advertisement, and  
2 marketing measurement related to such advertisements.

3 (B) “Targeted advertising” does not include:

4 (i) first-party advertising; or

5 (ii) contextual advertising.

6 (55) “Third party” means a person, public authority, agency, or body,  
7 other than the consumer, controller, or processor or an affiliate of the processor  
8 or the controller.

9 (56) “Trade secret” has the same meaning as in section 4601 of this title.

10 (57)(A) “Unique persistent identifier” means a technologically created  
11 identifier to the extent that such identifier is reasonably linkable to a consumer  
12 or a device that identifies or is linked or reasonably linkable to one or more  
13 consumers, including device identifiers, internet protocol addresses, cookies,  
14 beacons, pixel tags, mobile ad identifiers or similar technology customer  
15 numbers, unique pseudonyms, user aliases, telephone numbers, or other forms  
16 of persistent or probabilistic identifiers that are linked or reasonably linkable to  
17 one or more consumers or devices.

18 (B) “Unique persistent identifier” does not include an identifier  
19 assigned by a controller for the sole purpose of giving effect to the exercise of  
20 affirmative consent or opt out by a consumer with respect to the collection or

1 processing of personal data or otherwise limiting the collection or processing  
2 of personal data.

3 (58) “Victim services organization” means a nonprofit organization that  
4 is established to provide services to victims or witnesses of child abuse,  
5 domestic violence, human trafficking, sexual assault, violent felony, or  
6 stalking.

7 § 2415b. APPLICABILITY

8 (a) Thresholds. Except as provided in subsection (b) of this section, this  
9 subchapter applies to a person that conducts business in this State or a person  
10 that produces products or services that are targeted to residents of this State  
11 and that during the preceding calendar year:

12 (1) controlled or processed the personal data of not fewer than 35,000  
13 consumers, excluding personal data controlled or processed solely for the  
14 purpose of completing a payment transaction;

15 (2) controlled or processed consumers’ sensitive data, excluding  
16 personal data controlled or processed solely for the purposes of completing a  
17 payment transaction; or

18 (3) sold the personal data of consumers.

19 (b) Health data applicability. Section 2415k of this subchapter and the  
20 provisions of this subchapter concerning consumer health data and consumer  
21 health data controllers apply to a person that conducts business in this State or

1 a person that produces products or services that are targeted to residents of this  
2 State.

3 § 2415c. EXEMPTIONS

4 (a) This subchapter does not apply to:

5 (1) in the ordinary course of its operation, a federal, state, tribal, or local  
6 government entity or an instrumentality of the State;

7 (2) protected health information under HIPAA;

8 (3) patient-identifying information, for purposes of 42 U.S.C. § 290DD–  
9 2;

10 (4)(A) information to the extent it is used for public health, community  
11 health, or population health activities and purposes, as authorized by HIPAA,  
12 when provided by or to a covered entity or when provided by or to a business  
13 associate in accordance with the business associate agreement with a covered  
14 entity;

15 (B) information that is a health care record, as that term is defined in  
16 18 V.S.A. § 9419, if the information is held by an entity that is a covered entity  
17 or business associate under HIPAA because it collects, uses, or discloses  
18 protected health information;

19 (C) information that is deidentified in accordance with the  
20 requirements for deidentification set forth in 45 C.F.R. § 164.514 and that is

1 derived from individually identifiable health information as described in  
2 HIPAA; and

3 (D) personal information consistent with the human subject  
4 protection requirements of the U.S. Food and Drug Administration;

5 (5) information used only for public health activities and purposes  
6 described in 45 C.F.R. § 164.512 (disclosure of protected health information  
7 without authorization);

8 (6) information that identifies a consumer in connection with:

9 (A) activities that are subject to the Federal Policy for the Protection  
10 of Human Subjects, codified as 45 C.F.R. Part 46 (HHS protection of human  
11 subjects) and in various other federal regulations;

12 (B) activities that are subject to the protections provided in 21 C.F.R.  
13 Parts 50 (FDA clinical investigations protection of human subjects) and  
14 56 (FDA clinical investigations institutional review boards); or

15 (C) research conducted in accordance with the requirements set forth  
16 in subdivisions (A) and (B) of this subdivision (a)(6) or otherwise in  
17 accordance with applicable law;

18 (7) patient-identifying information that is collected and processed in  
19 accordance with 42 C.F.R. Part 2 (confidentiality of substance use disorder  
20 patient records);

1           (8) patient safety work product that is created and used for purposes of  
2           patient safety improvement in accordance with 42 C.F.R. § 3, established in  
3           accordance with 42 U.S.C. §§ 299b–21 through 299b–26;

4           (9) information or documents created for the purposes of the Healthcare  
5           Quality Improvement Act of 1986, 42 U.S.C. § 11101–11152, and regulations  
6           adopted to implement that act;

7           (10) information processed or maintained solely in connection with, and  
8           for the purpose of, enabling notice of an emergency to persons that an  
9           individual specifies;

10           (11) any activity that involves collecting, maintaining, disclosing,  
11           selling, communicating, or using information for the purpose of evaluating a  
12           consumer’s creditworthiness, credit standing, credit capacity, character,  
13           general reputation, personal characteristics, or mode of living if done strictly in  
14           accordance with the provisions of the Fair Credit Reporting Act, 15 U.S.C.  
15           § 1681–1681x, as may be amended, by:

16                   (A) a consumer reporting agency;

17                   (B) a person who furnishes information to a consumer reporting  
18           agency under 15 U.S.C. § 1681s-2 (responsibilities of furnishers of  
19           information to consumer reporting agencies); or

20                   (C) a person who uses a consumer report as provided in 15 U.S.C.  
21           § 1681b(a)(3) (permissible purposes of consumer reports);

1           (12) information collected, processed, sold, or disclosed under and in  
2 accordance with the following laws and regulations:

3           (A) the Driver’s Privacy Protection Act of 1994, 18 U.S.C. § 2721–  
4 2725;

5           (B) data that is subject to the Family Educational Rights and Privacy  
6 Act, 20 U.S.C. § 1232g, and regulations adopted to implement that act;

7           (C) data that is subject to the Airline Deregulation Act, Pub. L. No.  
8 95-504, only to the extent that an air carrier collects information related to  
9 prices, routes, or services, and only to the extent that the provisions of the  
10 Airline Deregulation Act preempt this subchapter;

11           (D) data that is subject to the Farm Credit Act, Pub. L. No. 92-181, as  
12 may be amended; and

13           (E) data that is subject to federal policy under 21 U.S.C. § 830  
14 (regulation of listed chemicals and certain machines);

15           (13) nonpublic personal information that is processed by a financial  
16 institution subject to the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, and  
17 regulations adopted to implement that act;

18           (14) a state- or federally chartered bank or credit union, or an affiliate or  
19 subsidiary that is principally engaged in financial activities, as described in  
20 18 U.S.C. § 1843(k);

1           (15) a person regulated pursuant to 8 V.S.A. part 3 (chapters 101–165)  
2           other than a person who, alone or in combination with another person,  
3           establishes and maintains a self-insurance program and who does not otherwise  
4           engage in the business of entering into policies of insurance;

5           (16) a third-party administrator, as that term is defined in the Third Party  
6           Administrator Rule adopted pursuant to 18 V.S.A. § 9417;

7           (17) personal data of a victim or witness of child abuse, domestic  
8           violence, human trafficking, sexual assault, violent felony, or stalking that a  
9           victim services organization collects, processes, or maintains in the course of  
10          its operation;

11          (18) a nonprofit organization that is established to detect and prevent  
12          fraudulent acts in connection with insurance;

13          (19) information that is processed for purposes of compliance,  
14          enrollment or degree verification, or research services by a nonprofit  
15          organization that is established to provide enrollment data reporting services  
16          on behalf of postsecondary schools as that term is defined in 16 V.S.A. § 176;

17          (20) noncommercial activity of:

18                 (A) a publisher, editor, reporter, or other person who is connected  
19                 with or employed by a newspaper, magazine, periodical, newsletter, pamphlet,  
20                 report, or other publication in general circulation;

1           (B) a radio or television station that holds a license issued by the  
2           Federal Communications Commission;

3           (C) a nonprofit organization that provides programming to radio or  
4           television networks; or

5           (D) a press association or wire service; or

6           (21) data processed or maintained:

7           (A) in the course of an individual applying to, employed by, or acting  
8           as an agent or independent contractor of a controller, processor, consumer  
9           health data controller, or third party, to the extent that the data is collected and  
10          used within the context of that role;

11          (B) as the emergency contact information of a consumer pursuant to  
12          this subchapter, used for emergency contact purposes, or

13          (C) that is necessary to retain to administer benefits for another  
14          individual relating to the individual who is the subject of the information  
15          pursuant to subdivision (2) of this subsection (a) and used for the purposes of  
16          administering such benefits.

17          (b) Controllers, processors, and consumer health data controllers that  
18          comply with the verifiable parental consent requirements of COPPA shall be  
19          deemed compliant with any obligation to obtain parental consent pursuant to  
20          this subchapter.

1     § 2415d. CONSUMER PERSONAL DATA RIGHTS

2           (a) Consumer rights. A consumer shall have the right to:

3                   (1) confirm whether or not a controller is processing the consumer’s  
4                   personal data and access the personal data, unless the confirmation or access  
5                   would require the controller to reveal a trade secret;

6                   (2) correct inaccuracies in the consumer’s personal data, taking into  
7                   account the nature of the personal data and the purposes of the processing of  
8                   the consumer’s personal data;

9                   (3) delete personal data provided by, or obtained about, the consumer  
10                  unless retention of the personal data is required by law;

11                  (4) obtain a copy of the consumer’s personal data processed by the  
12                  controller, in a portable and, to the extent technically feasible, readily usable  
13                  format that allows the consumer to transmit the data to another controller  
14                  without hindrance, where the processing is carried out by automated means,  
15                  provided the controller shall not be required to reveal any trade secret;

16                  (5) obtain from the controller a list of the third parties to which such  
17                  controller has sold the consumer’s personal data or, if such controller does not  
18                  maintain a list of the third parties to which such controller has sold the  
19                  consumer’s personal data, a list of all third parties to which such controller has  
20                  sold personal data, provided the controller shall not be required to reveal any  
21                  trade secret;

1           (6) opt out of the processing of the personal data for purposes of:

2                   (A) targeted advertising;

3                   (B) the sale of personal data; and

4                   (C) profiling in furtherance of any automated decisions that produce  
5 legal or similarly significant effects concerning the consumer; and

6           (7) if the consumer’s personal data were processed for the purposes of  
7 profiling in furtherance of any automated decision that produced any legal or  
8 similarly significant effect concerning the consumer, and if feasible:

9                   (A) question the result of such profiling;

10                  (B) be informed of the reason that such profiling resulted in such  
11 decision;

12                  (C) review the consumer’s personal data that were processed for the  
13 purposes of such profiling, and

14                  (D) if the profiling decision concerned housing, taking into account  
15 the nature of the personal data and the purposes for which such personal data  
16 were processed, allow the consumer to correct any incorrect personal data that  
17 were processed for the purposes of such profiling and have the profiling  
18 decision reevaluated based on the corrected personal data.

19           (b) Exercising consumer rights.

20                   (1) A consumer may exercise rights under this section by a secure and  
21 reliable means established by the controller and described to the consumer in

1 the controller’s privacy notice pursuant to subsection 2415e(c) of this  
2 subchapter.

3 (2)(A) A consumer may designate another person to act on the  
4 consumer’s behalf as the consumer’s authorized agent for the purpose of  
5 exercising the consumer’s rights pursuant to subdivisions (a)(1) and (a)(6) of  
6 this section.

7 (B) The consumer may designate an authorized agent by means of an  
8 internet link, browser setting, browser extension, global device setting, or other  
9 technology that enables the consumer to exercise the consumer’s right pursuant  
10 to subdivision (A) of this subdivision (2).

11 (C) A controller shall comply with an opt-out request received from  
12 an authorized agent if the controller is able to verify, with commercially  
13 reasonable effort, the identity of the consumer and the authorized agent’s  
14 authority to act on the consumer’s behalf.

15 (3) In the case of processing personal data of a consumer who:

16 (A) a controller has actual knowledge, or willfully disregards, is a  
17 child, the parent or legal guardian may exercise the consumer rights on the  
18 child’s behalf; and

19 (B) is subject to a guardianship, conservatorship, or other protective  
20 arrangement, the guardian or the conservator of the consumer may exercise the  
21 rights on the consumer’s behalf.

1        (c) Controller compliance. Except as otherwise provided in this  
2        subchapter, a controller shall comply with a request by a consumer to exercise  
3        the consumer rights authorized pursuant to this subchapter as follows:

4            (1) Timeline to respond. A controller:

5                    (A) shall respond to the consumer without undue delay, but not later  
6                    than 45 days after receipt of the request; and

7                    (B) may extend the response period by 45 additional days when  
8                    reasonably necessary, considering the complexity and number of the  
9                    consumer’s requests, provided the controller informs the consumer of the  
10                   extension within the initial 45-day response period and of the reason for the  
11                   extension.

12            (2) Declining to take action. If a controller declines to take action  
13            regarding the consumer’s request, the controller shall inform the consumer  
14            without undue delay, but not later than 45 days after receipt of the request, of  
15            the justification for declining to take action and instructions for how to appeal  
16            the decision.

17            (3) Cost of information.

18                    (A) Information provided by a controller in response to a consumer  
19                    request shall be provided by the controller, free of charge, once per consumer  
20                    during any 12-month period.

1           (B) If requests from a consumer are manifestly unfounded, excessive,  
2           or repetitive, the controller may charge the consumer a reasonable fee to cover  
3           the administrative costs of complying with the request or decline to act on the  
4           request.

5           (C) A controller bears the burden of demonstrating the manifestly  
6           unfounded, excessive, or repetitive nature of the request.

7           (4) Authentication of request.

8           (A) If a controller is unable to authenticate a request to exercise any  
9           of the rights afforded under subdivisions (a)(1)–(5) of this section using  
10           commercially reasonable efforts, the controller shall not be required to comply  
11           with a request to initiate an action pursuant to this section and shall provide  
12           notice to the consumer that the controller is unable to authenticate the request  
13           to exercise the right or rights until the consumer provides additional  
14           information reasonably necessary to authenticate the consumer and the  
15           consumer’s request to exercise the right or rights.

16           (B) A controller shall not be required to authenticate an opt-out  
17           request, but a controller may deny an opt-out request if the controller has a  
18           good faith, reasonable, and documented belief that the request is fraudulent.

19           (C) If a controller denies an opt-out request because the controller  
20           believes the request is fraudulent, the controller shall send a notice to the  
21           person who made the request disclosing that the controller believes the request

1 is fraudulent, why the controller believes the request is fraudulent, and that the  
2 controller shall not comply with the request.

3 (5) Third-party data. A controller that has obtained personal data about  
4 a consumer from a source other than the consumer shall be deemed in  
5 compliance with a consumer’s request to delete the consumer’s data pursuant  
6 to subdivision (a)(3) of this section by:

7 (A) retaining a record of the deletion request and the minimum data  
8 necessary for the purpose of ensuring the consumer’s personal data remains  
9 deleted from the controller’s records and not using the retained data for any  
10 other purpose pursuant to the provisions of this subchapter; or

11 (B) opting the consumer out of the processing of the personal data for  
12 any purpose except for those exempted pursuant to the provisions of this  
13 subchapter.

14 (d) Appeals.

15 (1) A controller shall establish a process for a consumer to appeal the  
16 controller’s refusal to take action on a request pursuant to this section within a  
17 reasonable period of time after the consumer’s receipt of the decision.

18 (2) The appeal process shall be conspicuously available and similar to  
19 the process for submitting requests to initiate action pursuant to this section.

1           (3) Not later than 60 days after receipt of an appeal, a controller shall  
2           inform the consumer in writing of any action taken or not taken in response to  
3           the appeal, including a written explanation of the reasons for the decisions.

4           (4) If the controller denies the appeal, the controller shall also provide  
5           the consumer with an online mechanism, if available, or other method through  
6           which the consumer may contact the Attorney General to submit a complaint.

7           (e) Disclosure of certain information. A controller, in response to a request  
8           from a consumer to exercise the consumer’s rights pursuant to subdivision  
9           (a)(1) of this section shall not disclose but instead inform the consumer or the  
10           person exercising such right on behalf of the consumer, with sufficient  
11           particularity, that the controller has collected the consumer’s:

12           (1) Social Security number;

13           (2) driver’s license number, state identification card number, or other  
14           government-issued identification number;

15           (3) financial account number;

16           (4) health insurance identification number or medical identification  
17           number;

18           (5) account password;

19           (6) security question or answer thereto; or

20           (7) biometric data.

1     § 2415e. DUTIES OF CONTROLLERS

2           (a) Data collection and processing. A controller:

3                   (1) shall limit the collection and processing of personal data to what is  
4     reasonably necessary and proportionate to provide or maintain:

5                           (A) a specific product or service requested by the consumer to whom  
6     the data pertains; and

7                           (B) a communication, that is not an advertisement, by the controller  
8     to the consumer that is reasonably anticipated within the context of the  
9     relationship between the controller and the consumer;

10                   (2) may process or transfer the personal data of a consumer collected  
11     pursuant to subdivision (1) of this subsection to provide first-party advertising  
12     or targeted advertising to the consumer, unless:

13                           (A) the personal data is sensitive data;

14                           (B) the consumer has opted out of targeted advertising pursuant to  
15     subdivision 2415c(a)(6) of this subchapter; or

16                           (C) the controller knew or willfully disregards that the consumer is a  
17     minor;

18                   (3) shall establish, implement, and maintain reasonable administrative,  
19     technical, and physical data security practices to protect the confidentiality,  
20     integrity, and accessibility of personal data appropriate to the volume and  
21     nature of the personal data at issue, including disposing of personal data in

1 accordance with a retention schedule that requires the deletion of personal data  
2 when the data is required to be deleted by law or is no longer necessary for the  
3 purpose for which the data was collected or processed;

4 (4) shall not collect or process sensitive data concerning a consumer  
5 except when the processing is strictly necessary to provide or maintain a  
6 specific product or service requested by the consumer to whom the sensitive  
7 data pertains;

8 (5) shall not collect or process personal data in violation of the laws of  
9 this State and federal laws that prohibit unlawful discrimination;

10 (6) shall provide an effective mechanism for a consumer to revoke the  
11 consumer’s consent under this section that is at least as easy as the mechanism  
12 by which the consumer provided the consumer’s consent and, upon revocation  
13 of the consent, cease to process the data as soon as practicable, but not later  
14 than 15 days after the receipt of the request;

15 (7) shall not process the personal data of a consumer for the purposes of  
16 targeted advertising, or sell the consumer’s personal data, if the controller  
17 knew or willfully disregards that the consumer is a minor;

18 (8) shall not sell sensitive data; and

19 (9) shall not discriminate against a consumer for exercising any of the  
20 consumer rights contained in this subchapter, including denying goods or

1 services, charging different prices or rates for goods or services, or providing a  
2 different level of quality of goods or services to the consumer.

3 (b) Limitations. Subsection (a) of this section shall not be construed to:

4 (1) require a controller to provide a product or service that requires the  
5 personal data of a consumer that the controller does not collect or maintain; or

6 (2) prohibit a controller from offering a different price, rate, level,  
7 quality, or selection of goods or services to a consumer, including offering  
8 goods or services for no fee if the offering is in connection with a consumer's  
9 voluntary participation in a bona fide loyalty, rewards, premium features,  
10 discounts, or club card program, provided that the selling of personal data is  
11 not a condition of participation in the program.

12 (c) Privacy notice. A controller shall provide consumers with a reasonably  
13 accessible, clear, and meaningful privacy notice that includes:

14 (1) the categories of personal data processed by the controller;

15 (2) the purpose for processing personal data;

16 (3) how consumers may exercise their consumer rights, including how a  
17 consumer may appeal a controller's decision with regard to the consumer's  
18 request;

19 (4) the categories of personal data that the controller shares with third  
20 parties, if any;

1           (5) the categories of third parties, if any, with which the controller  
2           shares personal data; and

3           (6) an active email address or other online mechanism that the consumer  
4           may use to contact the controller.

5           (d) Targeted advertising. If a controller sells personal data to third parties  
6           or processes personal data for targeted advertising, the controller shall clearly  
7           and conspicuously disclose the selling or processing, as well as the manner in  
8           which a consumer may exercise the right to opt out of the selling or processing.

9           (e) Accessing consumer rights.

10           (1) A controller shall:

11           (A) establish, and shall describe in a privacy notice, one or more  
12           secure and reliable means for consumers to submit a request to exercise their  
13           consumer rights pursuant to this subchapter; and

14           (B) not require a consumer to create a new account in order to  
15           exercise consumer rights but may require a consumer to use an existing  
16           account.

17           (2) The means pursuant to subdivision (1) of this subsection shall:

18           (A) take into account the ways in which consumers normally interact  
19           with the controller, the need for secure and reliable communication of the  
20           requests, and the ability of the controller to verify the identity of the consumer  
21           making the request;

1           (B) provide a clear and conspicuous link on the controller’s website  
2           to a web page that enables a consumer, or an agent of the consumer, to opt out  
3           of the targeted advertising or sale of the consumer’s personal data; and

4           (C) not later than January 1, 2027, allow a consumer to opt out of any  
5           processing of the consumer’s personal data for the purposes of targeted  
6           advertising, or any sale of the personal data, through an opt-out preference  
7           signal sent to the controller with the consumer’s consent indicating the  
8           consumer’s intent to opt out of any of the processing or sale, by a platform,  
9           technology, or other mechanism that shall:

10           (i) not unfairly disadvantage another controller;

11           (ii) not make use of a default setting, but rather require the  
12           consumer to make an affirmative, freely given, and unambiguous choice to opt  
13           out of any processing of the consumer’s personal data pursuant to this  
14           subchapter;

15           (iii) be consumer-friendly and easy to use by the average  
16           consumer;

17           (iv) be as consistent as possible with any other similar platform,  
18           technology, or mechanism required by any federal or State law or regulation;  
19           and

20           (v) enable the controller to accurately determine whether the  
21           consumer is a resident of this State and whether the consumer has made a

1 legitimate request to opt out of any sale of the consumer’s personal data or  
2 targeted advertising.

3 (3) If a consumer’s decision to opt out of any processing of the  
4 consumer’s personal data for the purposes of targeted advertising, or any sale  
5 of the personal data, through an opt-out preference signal sent in accordance  
6 with the provisions of subdivision (2)(C) of this subsection conflicts with the  
7 consumer’s existing controller-specific privacy setting or voluntary  
8 participation in a controller’s bona fide loyalty, rewards, premium features,  
9 discounts, or club card program, the controller shall comply with the  
10 consumer’s opt-out preference signal but may notify the consumer of the  
11 conflict and provide to the consumer the choice to confirm the controller-  
12 specific privacy setting or participation in the program.

13 (4) If a controller responds to a consumer opt-out request received  
14 pursuant to subdivision (2)(C) of this subsection by informing the consumer of  
15 a charge for the use of any product or service, the controller shall present the  
16 terms of any financial incentive offered pursuant to subdivision (b)(2) of this  
17 section for the retention, use, sale, or sharing of the consumer’s personal data.

1     § 2415f. PROCESSORS' DUTIES; CONTRACTS BETWEEN

2                     CONTROLLERS AND PROCESSORS

3             (a) Generally. A processor shall adhere to the instructions of a controller  
4             and shall assist the controller in meeting the controller's obligations under this  
5             subchapter, including:

6                     (1) taking into account the nature of processing and the information  
7                     available to the processor, by appropriate technical and organizational  
8                     measures, to the extent reasonably practicable, to fulfill the controller's  
9                     obligation to respond to consumer rights requests;

10                    (2) taking into account the nature of processing and the information  
11                    available to the processor, by assisting the controller in meeting the  
12                    controller's obligations in relation to the security of processing the personal  
13                    data and in relation to the notification of a data broker security breach or  
14                    security breach, as defined in section 2430 of this title, of the system of the  
15                    processor, in order to meet the controller's obligations; and

16                    (3) providing necessary information to enable the controller to conduct  
17                    and document data protection assessments.

18             (b) Contractual terms.

19                     (1) A contract between a controller and a processor shall govern the  
20                     processor's data processing procedures with respect to processing performed  
21                     on behalf of the controller.

1           (2) The contract shall be binding and clearly set forth instructions for  
2           processing data, the nature and purpose of processing, the type of data subject  
3           to processing, the duration of processing, and the rights and obligations of both  
4           parties.

5           (3) The contract shall require that the processor:

6                   (A) ensure that each person processing personal data is subject to a  
7                   duty of confidentiality with respect to the data;

8                   (B) at the controller’s direction, delete or return all personal data to  
9                   the controller as requested at the end of the provision of services, unless  
10                  retention of the personal data is required by law;

11                  (C) upon the reasonable request of the controller, make available to  
12                  the controller all information in its possession necessary to demonstrate the  
13                  processor’s compliance with the obligations in this subchapter;

14                  (D) after providing the controller an opportunity to object, engage  
15                  any subcontractor pursuant to a written contract that requires the subcontractor  
16                  to meet the obligations of the processor with respect to the personal data; and

17                  (E) make available to the controller upon the reasonable request of  
18                  the controller all information in the processor’s possession necessary to  
19                  demonstrate the processor’s compliance with this subchapter.

20                  (4) A processor shall provide a report of an assessment to the controller  
21                  upon request.

1        (c) Liabilities. This section shall not be construed to relieve a controller or  
2        processor from the liabilities imposed on the controller or processor by virtue  
3        of the controller’s or processor’s role in the processing relationship, as  
4        described in this subchapter.

5        (d) Processors performing as controllers.

6            (1) Determining whether a person is acting as a controller or processor  
7            with respect to a specific processing of data is a fact-based determination that  
8            depends upon the context in which personal data is to be processed.

9            (2) A person who is not limited in the person’s processing of personal  
10          data pursuant to a controller’s instructions, or who fails to adhere to the  
11          instructions, is a controller and not a processor with respect to a specific  
12          processing of data.

13          (3) A processor that continues to adhere to a controller’s instructions  
14          with respect to a specific processing of personal data remains a processor.

15          (4) If a processor begins, alone or jointly with others, determining the  
16          purposes and means of the processing of personal data, the processor is a  
17          controller with respect to the processing and may be subject to an enforcement  
18          action under section 2415j of this subchapter.

1     § 2415g. DATA PROTECTION ASSESSMENTS; DISCLOSURE TO  
2             ATTORNEY GENERAL

3             (a) Generally. A controller shall conduct and document a data protection  
4             assessment for each of the controller’s processing activities that presents a  
5             heightened risk of harm to a consumer, which for the purposes of this section  
6             includes:

7                 (1) the processing of personal data for the purposes of targeted  
8             advertising;

9                 (2) the sale of personal data;

10                (3) the processing of personal data for the purposes of profiling, where  
11             the profiling presents a reasonably foreseeable risk of:

12                 (A) unfair or deceptive treatment of, or unlawful disparate impact on,  
13             consumers;

14                 (B) financial, physical, or reputational injury to consumers;

15                 (C) a physical or other intrusion upon the solitude or seclusion, or the  
16             private affairs or concerns, of consumers, where the intrusion would be  
17             offensive to a reasonable person; or

18                 (D) other substantial injury to consumers; and

19                 (4) the processing of sensitive data.

20             (b) Requirements.

1           (1) Data protection assessments conducted pursuant to subsection (a) of  
2           this section shall identify and weigh the benefits that may flow, directly and  
3           indirectly, from the processing to the controller, the consumer, other  
4           stakeholders, and the public against the potential risks to the rights of the  
5           consumer associated with the processing, as mitigated by safeguards that can  
6           be employed by the controller to reduce the risks.

7           (2) The controller shall factor into any data protection assessment the  
8           use of deidentified data and the reasonable expectations of consumers, as well  
9           as the context of the processing and the relationship between the controller and  
10           the consumer whose personal data will be processed.

11           (c) Disclosure to Attorney General.

12           (1) The Attorney General may require that a controller disclose any data  
13           protection assessment that is relevant to an investigation conducted by the  
14           Attorney General, and the controller shall make the data protection assessment  
15           available to the Attorney General.

16           (2) The Attorney General may evaluate the data protection assessment  
17           for compliance with the responsibilities set forth in this subchapter.

18           (3) Data protection assessments shall be confidential and shall be  
19           exempt from disclosure and copying under the Public Records Act.

20           (4) To the extent any information contained in a data protection  
21           assessment disclosed to the Attorney General includes information subject to

1 attorney-client privilege or work product protection, the disclosure shall not  
2 constitute a waiver of the privilege or protection.

3 (d) Assessment efficiency and applicability.

4 (1) A single data protection assessment may address a comparable set of  
5 processing operations that include similar activities.

6 (2) If a controller conducts a data protection assessment for the purpose  
7 of complying with another applicable law or regulation, the data protection  
8 assessment shall be deemed to satisfy the requirements established in this  
9 section if the data protection assessment is reasonably similar in scope and  
10 effect to the data protection assessment that would otherwise be conducted  
11 pursuant to this section.

12 (3) Data protection assessment requirements shall apply to processing  
13 activities created or generated after July 1, 2026, and are not retroactive.

14 § 2415h. DEIDENTIFIED DATA

15 (a) Requirements. A controller in possession of deidentified data shall:

16 (1) take reasonable measures to ensure that the data cannot be associated  
17 with an individual;

18 (2) publicly commit to maintaining and using deidentified data without  
19 attempting to reidentify the data; and

20 (3) contractually obligate any recipients of the deidentified data to  
21 comply with the provisions of this subchapter.

1        (b) Limitations. This subchapter shall not be construed to:

2            (1) require a controller or processor to reidentify deidentified data or  
3 pseudonymous data;

4            (2) maintain data in identifiable form, or collect, obtain, retain, or access  
5 any data or technology, in order to be capable of associating an authenticated  
6 consumer request with personal data; or

7            (3) require a controller or processor to comply with an authenticated  
8 consumer rights request if the controller:

9            (A) is not reasonably capable of associating the request with the  
10 personal data or it would be unreasonably burdensome for the controller to  
11 associate the request with the personal data;

12            (B) does not use the personal data to recognize or respond to the  
13 specific consumer who is the subject of the personal data, or associate the  
14 personal data with other personal data about the same specific consumer; and

15            (C) does not sell the personal data to any third party or otherwise  
16 voluntarily disclose the personal data to any third party other than a processor,  
17 except as otherwise permitted in this section.

18        (c) Oversight when disclosing. A controller that discloses pseudonymous  
19 data or deidentified data shall exercise reasonable oversight to monitor  
20 compliance with any contractual commitments to which the pseudonymous

1 data or deidentified data is subject and shall take appropriate steps to address  
2 any breaches of those contractual commitments.

3 § 2415i. CONSTRUCTION OF DUTIES

4 (a) Generally. This subchapter shall not be construed to restrict a  
5 controller’s, processor’s, or consumer health data controller’s ability to:

6 (1) comply with federal, state, or municipal laws, ordinances, or  
7 regulations, except as prohibited by 1 V.S.A. § 150;

8 (2) comply with a civil, criminal, or regulatory inquiry, investigation,  
9 subpoena, or summons by federal, state, municipal, or other governmental  
10 authorities;

11 (3) cooperate with law enforcement agencies concerning conduct or  
12 activity that the controller, processor, or consumer health data controller  
13 reasonably and in good faith believes may violate federal, state, or municipal  
14 laws, ordinances, or regulations;

15 (4) investigate, establish, exercise, prepare for, or defend legal claims;

16 (5) provide a product or service specifically requested by a consumer;

17 (6) perform under a contract to which a consumer is a party, including  
18 fulfilling the terms of a written warranty;

19 (7) take steps at the request of a consumer prior to entering into a  
20 contract;

1           (8) take immediate steps to protect an interest that is essential for the life  
2           or physical safety of the consumer or another individual, and where the  
3           processing cannot be manifestly based on another legal basis;

4           (9) prevent, detect, protect against, or respond to security incidents,  
5           identity theft, fraud, harassment, malicious, or deceptive activities or any  
6           illegal activity; preserve the integrity or security of systems; or investigate,  
7           report, or prosecute those responsible for the action;

8           (10) engage in public or peer-reviewed scientific or statistical research  
9           in the public interest that adheres to all other applicable ethics and privacy laws  
10           and is approved, monitored, and governed by an institutional review board that  
11           determines, or similar independent oversight entities that determine:

12           (A) whether the deletion of the information is likely to provide  
13           substantial benefits that do not exclusively accrue to the controller;

14           (B) the expected benefits of the research outweigh the privacy risks;  
15           and

16           (C) whether the controller or consumer health data controller has  
17           implemented reasonable safeguards to mitigate privacy risks associated with  
18           research, including any risks associated with reidentification;

19           (11) assist another controller, processor, consumer health data  
20           controller, or third party with any of the obligations under this subchapter;

1           (12) process personal data for reasons of public interest in the area of  
2           public health, community health, or population health, but solely to the extent  
3           that the processing is:

4                   (A) subject to suitable and specific measures to safeguard the rights  
5                   of the consumer whose personal data is being processed; and

6                   (B) under the responsibility of a professional subject to  
7                   confidentiality obligations under federal, state, or local law; or

8           (13) collect, use, or retain data for internal use to:

9                   (A) conduct internal research to develop, improve, or repair products,  
10                  services, or technology;

11                  (B) effectuate a product recall;

12                  (C) identify and repair technical errors that impair existing or  
13                  intended functionality; or

14                  (D) perform internal operations that are reasonably aligned with the  
15                  expectations of the consumer or reasonably anticipated based on the  
16                  consumer’s existing relationship with the controller or consumer health data  
17                  controller, or are otherwise compatible with processing data in furtherance of  
18                  the provision of a product or service specifically requested by a consumer or  
19                  the performance of a contract to which the consumer is a party.

20           (b) Evidentiary privilege.

1           (1) The obligations imposed on controllers, processors, or consumer  
2           health data controllers under this subchapter shall not apply where compliance  
3           by the controller, processor, or consumer health data controller with this  
4           subchapter would violate an evidentiary privilege under the laws of this State.

5           (2) This subchapter shall not be construed to prevent a controller,  
6           processor, or consumer health data controller from providing personal data  
7           concerning a consumer to a person covered by an evidentiary privilege under  
8           the laws of the State as part of a privileged communication.

9           (3) Nothing in this subchapter modifies 2020 Acts and Resolves No.  
10           166, Sec. 14 or authorizes the use of facial recognition technology by law  
11           enforcement.

12           (c) Third parties.

13           (1) A controller, processor, or consumer health data controller that  
14           discloses personal data to a processor or third-party controller pursuant to this  
15           subchapter shall not be deemed to have violated this subchapter if the  
16           processor or third-party controller that receives and processes the personal data  
17           violates this subchapter, provided, at the time the disclosing controller,  
18           processor, or consumer health data controller disclosed the personal data, the  
19           disclosing controller, processor, or consumer health data controller did not  
20           have actual knowledge that the receiving processor or third-party controller  
21           would violate this subchapter.

1           (2) A third-party controller or processor receiving personal data from a  
2           controller, processor, or consumer health data controller in compliance with  
3           this subchapter is not in violation of this subchapter for the transgressions of  
4           the controller, processor, or consumer health data controller from which the  
5           third-party controller or processor receives the personal data.

6           (d) Clarifications. This subchapter shall not be construed to:

7           (1) impose any obligation on a controller or processor that adversely  
8           affects the rights or freedoms of any person, including the rights of any person:

9           (A) to freedom of speech or freedom of the press guaranteed in the  
10          First Amendment to the U.S. Constitution; or

11          (B) under 12 V.S.A. § 1615;

12          (2) apply to any person’s processing of personal data in the course of the  
13          person’s purely personal or household activities; or

14          (3) require an independent school as defined in 16 V.S.A. § 11(a)(8) or a  
15          private institution of higher education, as defined in 20 U.S.C. § 1001 et seq.,  
16          to delete personal data or opt out of processing of personal data that would  
17          unreasonably interfere with the provision of education services by or the  
18          ordinary operation of the school or institution.

19          (e) Personal data processing.

1           (1) Personal data processed by a controller or consumer health data  
2           controller pursuant to this section may be processed to the extent that the  
3           processing is:

4                   (A) reasonably necessary and proportionate to the purposes listed in  
5           this section; and

6                   (B) adequate, relevant, and limited to what is necessary in relation to  
7           the specific purposes listed in this section.

8           (2)(A) Personal data collected, used, or retained pursuant to subdivision  
9           (a)(13) of this section shall, where applicable, take into account the nature and  
10          purpose or purposes of the collection, use, or retention.

11                   (B) The data shall be subject to reasonable administrative, technical,  
12          and physical measures to protect the confidentiality, integrity, and accessibility  
13          of the personal data and to reduce reasonably foreseeable risks of harm to  
14          consumers relating to the collection, use, or retention of personal data.

15           (3) If a controller or consumer health data controller processes personal  
16          data pursuant to an exemption in this section, the controller or consumer health  
17          data controller bears the burden of demonstrating that the processing qualifies  
18          for the exemption and complies with the requirements of this subsection.

19           (4) Processing personal data for the purposes expressly identified in this  
20          section shall not solely make a legal entity a controller or consumer health data  
21          controller with respect to the processing.

1     § 2415j. ENFORCEMENT

2           (a) A violation of the requirements of this subchapter shall constitute an  
3           unfair and deceptive act in commerce in violation of section 2453 of this title  
4           and shall be enforced solely by the Attorney General, provided that a consumer  
5           private right of action under subsection 2461(b) of this title shall not apply to  
6           the violation.

7           (b) The Attorney General has the same authority to adopt rules to  
8           implement the provisions of this subchapter and to conduct civil investigations,  
9           enter into assurances of discontinuance, bring civil actions, and take other  
10          enforcement actions as provided under chapter 63, subchapter 1 of this title.

11          (c) Annually, on or before February 1, the Attorney General shall submit a  
12          report to the General Assembly disclosing:

13               (1) the number of notices of violation pursuant to this subchapter that  
14               the Attorney General has issued;

15               (2) the nature of each violation;

16               (3) the number of violations that resulted in an enforcement action being  
17               taken;

18               (4) the number of enforcement actions that proceeded to trial; and

19               (5) any other matter the Attorney General deems relevant for the  
20               purposes of the report.

1     § 2415k. CONSUMER HEALTH DATA PRIVACY

2             Except as provided in section 2415i of this subchapter and subsection  
3     2415c(b) of this subchapter, no person shall:

4             (1) provide any employee or contractor with access to consumer health  
5     data unless the employee or contractor is subject to a contractual or statutory  
6     duty of confidentiality;

7             (2) provide any processor with access to consumer health data unless the  
8     person and processor comply with section 2415f of this subchapter; or

9             (3) use a geofence to establish a virtual boundary that is within 1,850  
10    feet of any health care facility, including any mental health facility or  
11    reproductive or sexual health facility, for the purpose of identifying, tracking,  
12    collecting data from, or sending any notification to a consumer regarding the  
13    consumer’s consumer health data.

14    Sec. 2. DATA PRIVACY UNIT CREATION; ATTORNEY GENERAL;  
15             APPROPRIATION

16             (a) The Office of the Attorney General shall establish a data privacy unit  
17    for the purpose of regulating and enforcing 9 V.S.A. chapter 61A (Vermont  
18    Data Privacy and Online Surveillance Act). The data privacy unit shall be  
19    composed of at least two attorneys and one investigator.

1        (b) In fiscal year 2027, \$650,000.00 is appropriated from the General Fund  
2        to the Office of the Attorney General for the purpose of creating and funding  
3        the data privacy unit pursuant to subsection (a) of this section.

4        Sec. 3. EFFECTIVE DATE

5        This act shall take effect on July 1, 2026.

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11        (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

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Representative \_\_\_\_\_

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FOR THE COMMITTEE