Members of the House Commerce Committee:

I respectfully submit this email expressing serious concerns with the House amendments to S.71, Vermont's comprehensive data privacy legislation. As a local business owner who operates two family-owned car dealerships in Vermont, I support reasonable consumer privacy protections. Consumers deserve clear information, and businesses should be expected to protect sensitive customer information.

However, I urge the Committee to align S.71 more closely with the Senate-passed version and with workable privacy laws adopted in other states, such as Connecticut. Vermont can protect consumers without creating confusing, duplicative, or impractical compliance burdens for businesses already regulated under federal privacy and safeguard rules.

Automobile dealers operate in a highly regulated environment. In a normal vehicle transaction, dealers communicate with lenders, manufacturers, DMV systems, warranty administrators, service-contract providers, fraud-prevention tools, DMS providers, website vendors, and other service providers. These routine data flows are not data-broker sales. They are necessary to complete transactions, arrange financing, register vehicles, process warranty or service work, perform recalls, prevent fraud, and serve customers.

I am especially concerned with four areas in the House amendment:

Broad Definition of "Sale of Personal Data"

Draft 3.3 defines "sale of personal data" to include exchange for "monetary or other valuable consideration." That broader language may create uncertainty for routine, non-monetary data sharing between dealers, manufacturers, lenders, service providers, warranty administrators, and vendors. I urge the Committee to narrow this definition to match the Senate language and peer states, so true data sales are regulated without sweeping in ordinary business operations.

Unworkable GLBA Exemption

Auto dealers that assist customers with financing are already subject to extensive federal privacy and safeguard obligations under the Gramm-Leach-Bliley Act. Dealers handle credit applications, Social Security numbers, income information, driver's license information, lender submissions, and identity verification under an existing federal framework. The Senate-passed version more clearly respected that framework. Reverting to that approach would avoid overlapping or inconsistent regulation.

Private Right of Action and Impact Assessments

The private right of action and expanded impact assessment provisions create unnecessary litigation risk. Even if lawsuits are aimed at very large companies, manufacturers, lenders, technology vendors, and service providers will likely push those costs and requirements down to local businesses through contracts, indemnity demands, and higher compliance costs. The Senate's Attorney General enforcement model is a better approach.

NIST Cybersecurity Mandates

Cybersecurity is extremely important, but dealers involved in finance transactions already comply with federal GLBA Safeguards Rule requirements. GLBA compliance should be deemed sufficient for GLBA-regulated data and systems, avoiding duplicative and potentially conflicting obligations.

I respectfully ask the Committee to restore S.71 to the Senate-passed version, or at minimum revise the House amendment to align with other state privacy laws and existing federal privacy frameworks.

Thank you for your time and consideration.
Respectfully,
Mitchell Jay