

## Statement in Support of S.71: Vermont Data Privacy & Online Surveillance Act

Good afternoon, Chair and members of the committee. Thank you for the opportunity to speak today in support of S.71, the Vermont Data Privacy & Online Surveillance Act.

My name is Mieko Ozeki, representing Vermont Womenpreneurs, a network of women-owned small businesses and organized by Radiance Studios LLC. As an advocate for small businesses, I believe S.71 creates a necessary framework that protects consumer privacy while allowing Vermont businesses to operate effectively in today's digital environment.

### Support for Small Business Exemptions

The legislation appropriately addresses the capacity of Vermont's small business community. The vast majority of Vermont small businesses ([27,204 registered businesses with under 19 employees](#)) will be exempt from this legislation through two important provisions:

First, only businesses processing data from more than 25,000 consumers or deriving significant revenue from selling consumer data would need to comply. This carefully crafted threshold recognizes that most small businesses do not engage in large-scale data collection or sales.

Second, businesses with annual revenue under \$25 million are protected from private legal action under this bill. This is a critical protection that ensures our community businesses can focus on serving customers rather than defending against potential litigation.

### Implementation Recommendations

For those small businesses that do meet the data collection threshold, which I understand there are few businesses in this category, I wish to emphasize five important considerations:

1. **Clear Communication on Exemptions:** My organization recently participated in outreach efforts informing small businesses about the federal government's Beneficial Ownership Information reporting requirement, conducted by the U.S. Treasury and in compliance of the 2021 Corporate Transparency Act. This experience demonstrated how critical it is to clearly communicate which businesses are exempt from regulatory requirements. Over the past year, as the deadline for BOI reporting approached (and was subsequently delayed by the courts), Vermont Womenpreneurs and a handful of other Vermont organizations worked diligently to help business owners understand the exemptions and navigate the reporting portal. I observed firsthand that proactive, clear

communication about exemptions significantly reduced confusion and anxiety among business owners. This lesson should be applied to S.71 implementation – clearly informing small businesses about the specific exemption thresholds will prevent unnecessary concern and allow them to determine quickly whether the law applies to their operations.

2. **Practical Compliance Guidance:** Small businesses will need clear, straightforward training materials and strategies to comply with the law. The Attorney General's office should develop sector-specific compliance guides that use plain language and practical examples relevant to Vermont businesses.
3. **Extended Education Period:** Education and guidance should be continuous for a minimum of three years following implementation. This extended timeline is particularly important considering the regular emergence of new businesses in Vermont. Each year, new entrepreneurs enter the marketplace who will need access to these educational resources. Privacy practices take time to become standard operating procedure, and both established and newly formed businesses will need ongoing support as they adapt their operations.
4. **Resource Organization Training:** Vermont's business resource organizations – including Regional Development Corporations, Small Business Development Center advisors, and nonprofits – will need comprehensive training on this legislation. In my work with these organizations, I have observed that many are currently overwhelmed by the rapidly evolving digital landscape and modern marketing tactics. Before these organizations can effectively advise businesses on privacy compliance, they first need foundational training on digital tools, data collection practices, and the broader technology ecosystem. This baseline digital literacy must be established to ensure they can properly contextualize and communicate the requirements of this legislation to their business clients.
5. **Compliance Tools and Templates:** Small businesses would benefit greatly from standardized privacy notice templates, data inventory worksheets, and other practical tools that can be adapted to their specific needs without requiring expensive legal consultation.

## Business Benefits of the Legislation

Beyond consumer protection, this legislation offers several advantages to Vermont's business community:

First, it provides regulatory clarity. With 19 states having enacted similar legislation, Vermont businesses benefit from established standards rather than facing uncertainty or conflicting requirements.

Second, the legislation allows for compliance measures taken from other states' privacy laws to satisfy Vermont's requirements. This reduces administrative burden for businesses operating across state lines.

Third, the bill distinguishes between first-party and third-party data use, allowing businesses to continue essential marketing communications with their own customers while regulating more invasive tracking practices.

## Recommendations for Implementation

To ensure successful implementation, I respectfully recommend the following:

1. Allocate sufficient resources to the Attorney General's office for developing comprehensive educational materials and conducting outreach to the business community.
2. Establish a dedicated small business liaison within the implementing agency to address questions and provide guidance specific to small business concerns.
3. Create a formal feedback mechanism for business owners to report implementation challenges during the initial compliance period.
4. Develop a phased enforcement approach that prioritizes education and compliance assistance before moving to punitive measures.

In conclusion, S.71 represents a balanced approach to data privacy that protects consumer rights while respecting the operational realities of Vermont's small businesses. With proper implementation support, including comprehensive education, ongoing guidance, and training for business resource organizations, this legislation can enhance consumer trust while allowing businesses to thrive.

I encourage this committee to advance S.71 with the recommended implementation considerations. Thank you for your attention to this important matter, and I am available to answer any questions.

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