

General Law Committee JOINT FAVORABLE REPORT

Bill No.: SB-1356

AN ACT CONCERNING DATA PRIVACY, ONLINE MONITORING, SOCIAL

Title: MEDIA AND DATA BROKERS.

Vote Date: 3/21/2025

Vote Action: Joint Favorable Substitute (LCO 6718)

PH Date: 2/26/2025

File No.:

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

Senate Bill 1356 intends to build upon Connecticut's landmark data privacy legislation, the Connecticut Data Privacy Act ([PA 22-15](#)). It expands the definition of various terms, including "sensitive data" and "social media platform." Parents would now be able to monitor their children's social media activity without establishing an account, and various improvements would be made to protect youth data privacy. The bill would require data brokers to be registered for improved regulation.

SUBSTITUTE LANGUAGE:

Proposed Substitute Bill 1356 responds to various concerns raised in testimony by making technical changes. It revises the definition of "know." It also includes language from [Proposed House Bill 5162](#) that would enable domestic violence victims to more easily terminate vehicle location tracking technology.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Attorney General William Tong](#) supports the bill and its updates to the Connecticut Data Privacy Act (CTDPA) that would remove exemptions for GLBA and HIPAA covered entities and non-profits. Support was expressed for data minimization as businesses are able to collect unneeded data since it is disclosed to the consumer. Suggestions were made regarding updating definitions for 'sensitive data,' 'biometric data,' and 'publicly available information'. Concern was expressed regarding potential jeopardization of privacy protection for children.

Bryan T. Cafferelli, Commissioner, Department of Consumer Protection (DCP)

expresses appreciation for the intent of the bill and states that DCP would need additional resources and/or funding outside of the current budget to track data resale. An increase in current daily fine and removal of the maximum annual penalty cap was recommended.

NATURE AND SOURCES OF SUPPORT:

Eric Null, Co-Director, Privacy & Data Program, Center for Democracy & Technology (CDT)

supports the bill and its expansion of applicable entities and the definition of sensitive data. CDT feels that consumers will be spared potential harm with these considerations. Support was also expressed for data minimization standards especially with regard to minors.

Francis R. Pickering, Executive Director, Western Connecticut Council of Governments (WestCOG)

expresses support for the intent of the bill to provide more control over personal information and greater transparency regarding data collection. Suggestions were made to include information gathered from connected devices such as Alexa and FitBit and to simplify the ability for consumers to opt-out of data collection and sales.

Jonathan Essex, Robert Fritsch, Jillian Gregory, Cheri Lefkowitz, Bruce Lerner, Margaret Strohm, and Kemaala Thompson also expressed support.

GENERAL COMMENTS:

Corrie Betts, NAACP of Connecticut Statewide Conference expresses concern for the lack of specific language related to anti-discrimination and civil rights protections and the implementation of a necessity-based standard for collection and processing of data. Concern was also expressed with respect to the disproportionate harm data collection practices inflict on marginalized communities.

Susan Halpin, Connecticut Association of Health Plans (CTAHP) expresses concern about potential data privacy challenges, as well as the for the potential consequences of the elimination of entity-level exemptions.

Jordan Francis, Policy Counsel, Future of Privacy Forum (FPF)

Bailey Sanchez, Deputy Director for US Legislation, Future of Privacy Forum (FPF)

express concern related to (1) the definition of 'financial information' as a broad concept, (2) the standards regarding minors' data and age assurance, (3) the requirement to include listings of third parties that data may be shared with and (4) the potential effects on small businesses.

NATURE AND SOURCES OF OPPOSITION:

Kristina Baldwin, Vice President, American Property Casualty Insurance Association, Eric George, Esq., President of the Insurance Association of Connecticut (IAC), and Christopher Nikolopoulos, Esq., Senior Regional Vice President of the National Association of Mutual Insurance Companies (NAMIC) express concern regarding the modification of entity-level GLBA exemption that currently exists in Connecticut's consumer

data privacy statutes. It was suggested instead that a clear definition of which organizations and industries would not be exempt versus eliminating the exemption across the board.

Christopher Davis, Vice President of Public Policy, Connecticut Business and Industry Association (CBIA) expresses concern regarding the potential effects on businesses operating under current Connecticut data privacy laws and complications related to cost effectiveness.

Howard Handler, Senior Director of Strategy, Policy and Government Affairs, National Insurance Crime Bureau expresses concern that the bill will remove current protections in place and would therefore affect the ability to combat insurance fraud and crime and affect the transmission of insurance fraud related information to state authorities. It was noted that multiple states as well as the US Congress have exempted NICB from data related laws.

Brianna January, Director of State and Local Government Relations, Northeast US, Chamber of Progress; Christopher Gilrein, Executive Director, TechNet express support for the current Connecticut model of safeguarding consumer data and believes that the proposed bill will cause unnecessary complications and potentially harm the parties which it proposes to protect as well as potential legal complications.

Andrew A. Kingman, Counsel, State Privacy & Security Coalition (SPSC) opposes the bill due to legal, operational and compliance challenges present to businesses and the complications that may arise from over-disclosure. SPSC also disagrees with 'overbroad' definitions used within the bill and feels that the current standards are adequate without amendment.

Anna P. Lucey, Executive Vice President of Legislative and External Affairs, New England Connectivity and Telecommunications Association, Inc. (NECTA) opposes the bill due to the potential effect on the ability of companies to collect data for legitimate purposes other than what is necessary and proportionate as well as the costs associated with compliance for businesses.

Donald Maurice, Outside Counsel, Receivables Management Association International (RMAI) opposes the bill due to the replacement of existing entity-level exemptions with data-level exemptions, as this may cause uncertainty and risk.

Tom Mongellow, Art Corey, Fritz Conway, Connecticut Bankers Association (CBA) believe that the current exemptions are sufficient and should be left as is according to the 2022 privacy laws and how they apply to financial institutions.

Mag Morelli, President, LeadingAge Connecticut opposes the bill due to its removal of the exemption of HIPAA entities and non-profit organizations and the complications and confusion it may cause.

Christopher Oswald, Executive Vice President for Law, Ethics & Government Relations, Association of National Advertisers (ANA) with support from the American Association of Advertising Agencies, Interactive Advertising Bureau, American Advertising Federation, and Digital Advertising Alliance opposes the bill due to the negative impact it would have on aligning privacy laws across state borders and the potential

costs associated. They feel that personal information is valuable to creating pertinent advertising for consumers and help to prevent fraud. The data broker registration requirement and required disclosure of third party partners were also opposed.

Tim Phelan, President, Connecticut Retail Network (CRN) opposes the bill and cautions that it may be detrimental despite its intent. CRN expressed concerns related to establishing trust-based relationships between consumers and businesses and the ability of smaller retail establishments competing online and the financial impact associated with that.

Phillip Recht, Partner, Mayer Brown LLP expresses the desire to ensure that this bill safeguards public data in compliance with current data privacy laws that they supported in 2022 as there is no evidence that they are ineffective and/or in need of amendment and suggested rewording the bill to eliminate specific mention of information that is used to create a consumer profile or is available for sale.

Eric Rosenkoetter, Maurice Wutscher, LLP; David Reid, Receivables Management Association International (RMAI) oppose the bill due to its removal of the exemption for financial institutions. RMAI feels that there should be a differentiation between institutions that collect only GLBA information to avoid potential consumer confusion.

Connecticut Hospital Association (CHA) supports the maintenance of exemptions that affect non-profit organizations and HIPAA entities, as their removal would negatively affect efforts to address social influence related to population health and health disparities.

Reported by: Elizabeth Aheart

Date: 3/23/2025