

# Government Administration and Elections Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-1108

**Title:** AN ACT CONCERNING CONSUMER PRIVACY.

**Vote Date:** 4/1/2019

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/25/2019

**File No.:**

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

### **SPONSORS OF BILL:**

Government Administration and Elections Committee

### **REASONS FOR BILL:**

To mandate businesses to provide disclosure and transparency as it pertains to the use of customer personal information. Additionally, this bill allows customers the right to discover what information businesses possess and to opt out of the purchase that the information was obtained.

**Substitute Language LCO No. 6754- creates a task force concerning consumer privacy**

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

#### **State of Connecticut Judicial Branch:**

The Judicial Branch submitted testimony in regards to compensation for whatever costs are associated with the action of this bill. While appreciative of the intent of the committee, implementation of the financial requirements present many problems. The first being the receipt of these funds; the Judicial Branch would need to identify a staff member that would be able to quantify, track, and report any costs incurred by the Judicial Branch in accordance with Sections 1 to 18. Another concern is who will decide how funds will be allocated between the Judicial Branch and the Attorney General's Office if any revenue generated does not cover all costs. The Judicial Branch cannot take on additional financial responsibilities given the scarcity of resources at this time.

### **NATURE AND SOURCES OF SUPPORT:**

**Jon Liebowitz, Co-Chair 21<sup>st</sup> Century Privacy Coalition:**

This testimony was submitted in support of SB 1108 because of the consensus across the country that consumer privacy is necessary in order to bolster customer confidence as it pertains to online shopping. This boost in customer confidence will in turn provide growth and continued innovation and leadership in the internet ecosystem. It is because of this ability to create a broader information-based economy that members of 21<sup>st</sup> Century Privacy Coalition supports a national model of privacy legislation that will provide effective privacy protections for American consumers.

## **NATURE AND SOURCES OF OPPOSITION:**

### **American Property Casualty Insurance Association:**

American Property Casualty Insurance Association (APCIA) submitted testimony in opposition of SB 1108 despite agreeing that consumer privacy and data security are priority issues for the insurance industry. APCIA opposes this legislation it is overly broad and may cause unintended but highly problematic consequences. SB 1108 can potentially cause unnecessary obstacles that will overturn long established privacy framework. APCIA believes that SB 1108 provides limited protections for confidential and privileged information with the only protection being a limited exemption tied to an “evidentiary privilege.”

### **GEICO:**

The GEICO group of companies submitted testimony in opposition to SB 1108 based on several concerns that they believe will impact the economy of Connecticut. This legislation appears to have been modeled after The California Consumer Privacy Act (AB-375) which was rushed through the California legislature and currently has more than a dozen bills pending in the legislature that seek to correct the problems created by the hurried implementation of the Act. Among the problematic concerns with SB 1108 include that it applies to relatively small businesses; it uses extremely overbroad definitions of terms such as “personal information,” “consumer,” and “homepage.” Additionally, it fails to protect data in an aggregated form which poses no legitimate risk to consumer privacy. GEICO implores Connecticut not to rush into any rushed legislation similar to California, and instead take a more deliberate and thoughtful approach.

### **National Federation of Independent Business:**

The National Federation Of Independent Business (NFIB) submitted testimony in opposition to SB 1108 with significant concerns on the impact that this legislation will have on the small businesses across the state of Connecticut through a series of unintended consequences, burdensome compliance mandates, and the potential for fines and fees. As written SB 1108 contains broad language as it pertains to consumer and personal information which could cause a negative impact on the various small businesses that are simply conducting their daily business operations. Small businesses that advertise online, in a store, or receive payment through credit cards would be impacted by this legislation. This would also discourage potential start-up business owners or the relocation of businesses to the state.

### **Also in Opposition of SB 1108:**

**Dustin Brighton on behalf of CompTIA**

**Eric Brown, Vice President , Connecticut Business and Industry Association (CBIA)**

**Christina Fisher, Executive Director, Northeast. TechNet**

**Eric George, President, Insurance Association of Connecticut**

**Gerard Keegan, CTIA**  
**Andrew Kingman, State Privacy & Security Coalition**  
**National Association of Mutual Insurance Companies**  
**Sarah Ohs, Director of Government Relations, Consumer Data Industry Association**  
**John Olsen, Director, State Government Affairs, Northeast Region, Internet Association**  
**Tim Phelan, President, Connecticut Retail Merchants Association**  
**Scott Shepard, Director, Yankee Institute for Public Policy**

**Reported by: Jeff Lucas**  
**Committee Clerk**

**Date: 4/15/19**