



Senate

General Assembly

File No. 182

January Session, 2025

Substitute Senate Bill No. 1338

Senate, March 24, 2025

The Committee on Banking reported through SEN. MILLER of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING MINORS' MONEY SHARING APPLICATION ACCOUNTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this
2 section:

3 (1) "Authenticate" means to use reasonable means and make a
4 commercially reasonable effort to determine whether a request to
5 exercise any right afforded under subsection (c) of this section has been
6 submitted by, or on behalf of, the minor who is entitled to exercise such
7 right;

8 (2) "Consumer" has the same meaning as provided in section 42-515
9 of the general statutes;

10 (3) "Licensee" has the same meaning as provided in section 36a-596 of
11 the general statutes;

12 (4) "Minor" means any consumer who is younger than eighteen years
13 of age;

14 (5) "Money sharing application" means an Internet-based service or
15 application that is (A) owned or operated by a licensee, (B) used by a
16 consumer in this state, and (C) primarily intended to allow users to send
17 and receive money. "Money sharing application" does not include any
18 Internet-based service or application that is owned or operated by a
19 person that is exempt from the provisions of sections 36a-597 to 36a-607,
20 inclusive, of the general statutes and sections 36a-611 and 36a-612 of the
21 general statutes pursuant to section 36a-609 of the general statutes; and

22 (6) "Personal data" has the same meaning as provided in section 42-
23 515 of the general statutes.

24 (b) On and after October 1, 2025, no licensee shall allow an individual
25 to sponsor, open or establish a money sharing application account for or
26 on behalf of a minor unless such licensee has received a notarized
27 statement from such individual attesting that such individual is such
28 minor's parent or legal guardian.

29 (c) (1) Not later than fifteen business days after a licensee receives a
30 request from a minor or such minor's parent or legal guardian to delete
31 such minor's money sharing application account with such licensee, the
32 licensee shall delete such minor's money sharing application account
33 and cease processing such minor's personal data except where the
34 preservation of such minor's money sharing application account or
35 personal data is otherwise permitted or required by applicable law,
36 including, but not limited to, sections 42-515 to 42-525, inclusive, of the
37 general statutes. A licensee may extend such fifteen-business-day
38 period by an additional fifteen business days if such extension is
39 reasonably necessary considering the complexity and number of the
40 minor's, parent's or legal guardian's requests, provided the licensee
41 informs the minor or such minor's parent or legal guardian, as
42 applicable, within the initial fifteen-business-day response period of
43 such extension and the reason for such extension.

44 (2) Any request made pursuant to subdivision (1) of this subsection
45 may include a request by the minor or such minor's parent or legal
46 guardian to provide to the minor or such minor's parent or legal

47 guardian, as applicable, all data associated with the money sharing
48 application account that is the subject of such request. Such data shall
49 include, but need not be limited to, an itemization of each transaction
50 associated with such account and the identity of the person who opened
51 such account.

52 (3) A licensee shall establish, and shall describe in a privacy notice,
53 one or more secure and reliable means for submitting a request pursuant
54 to this subsection. A licensee that provides a mechanism for a minor or
55 the minor's parent or legal guardian to initiate a process to delete such
56 minor's money sharing application account shall be deemed to be in
57 compliance with the provisions of this subsection.

58 (d) If a licensee is unable to authenticate a request submitted
59 pursuant to subsection (c) of this section, the licensee shall (1) not be
60 required to comply with such request, and (2) provide a notice to the
61 minor, parent or legal guardian who submitted such request disclosing
62 that such licensee (A) is unable to authenticate such request, and (B) will
63 not be able to authenticate such request until such minor, parent or legal
64 guardian provides the additional information that is reasonably
65 necessary to authenticate such request.

66 (e) Any violation of the provisions of this section shall constitute an
67 unfair trade practice under subsection (a) of section 42-110b of the
68 general statutes and shall be enforced solely by the Attorney General.
69 Nothing in this section shall be construed to create a private right of
70 action or to provide grounds for an action under section 42-110g of the
71 general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	New section

BA Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill makes various changes to minor's money sharing application accounts and makes violations an unfair trade practice enforced solely by the Office of the Attorney General (OAG), resulting in no fiscal impact to the state because the OAG has the resources and expertise to enforce the provision of the bill.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sSB 1338*****AN ACT CONCERNING MINORS' MONEY SHARING APPLICATION ACCOUNTS.*****SUMMARY**

This bill regulates minors' access to certain money sharing applications by imposing restrictions and duties on people who are or must be licensed as money transmitters ("licensees") under the state's Money Transmission Act, which regulates businesses, other than banks or credit unions, that receive and transmit money. Generally, the bill:

1. prohibits any licensee, beginning on October 1, 2025, from allowing anyone to sponsor, open, or establish a money sharing application account for a minor unless the licensee receives a notarized statement from the person attesting that he or she is the minor's parent or legal guardian;
2. requires, with exceptions, licensees to delete a minor's money sharing application account within 15 business days after receiving a request to do so from the minor or the minor's parent or legal guardian; and
3. makes violations of its provisions an unfair trade practice, enforced solely by the attorney general.

The bill defines "money sharing application" as an Internet-based service or application that is (1) owned or operated by a licensee, (2) used by a consumer in Connecticut, and (3) primarily intended to allow users to send and receive money. By law and under the bill, a "minor" is a consumer younger than age 18, and a "consumer" is a state resident and generally excludes anyone acting in a commercial or employment context.

EFFECTIVE DATE: October 1, 2025

GENERAL PROCEDURES AND EXCEPTIONS

When responding to requests to delete a minor's account, the bill also generally requires licensees to stop processing the minor's personal data within the 15-business day response period after receiving the request.

By law and under the bill, "personal data" is any information that is linked, or reasonably linkable, to an identified or identifiable individual, excluding de-identified data or publicly available information. ("De-identified data" is generally data that cannot reasonably be used to infer information about, or otherwise be linked to, a specific individual or his or her device and "publicly available information" is generally information that is lawfully available through federal, state, or municipal government records, or widely distributed media (CGS § 42-515).)

Under the bill, licensees do not have to follow its account deletion and personal data processing requirements if other applicable law, such as Connecticut's laws on consumer data privacy and online monitoring, allow or require them to preserve a minor's account or personal data.

Additionally, the bill allows licensees to extend the time to delete an account and stop processing personal data by an additional 15 business days under certain conditions. Specifically, if (1) it is reasonably necessary to do so based on the complexity and number of, presumably, additional requests from the requestor, and (2) the licensee informs the requestor about the extension and reason for it within the initial 15-business day response period.

As part of deletion requests, the bill allows requestors to also request licensees provide all data associated with the minor's account. (Under the bill, this means, at a minimum, an itemization of each account transaction and the identity of who opened the account. It is not clear that licensees are actually required to provide the data.)

Relatedly, the bill requires licensees to (1) establish one or more

secure and reliable ways for minors and their parents and legal guardians to submit requests to delete minors' accounts and (2) describe them in a privacy notice. Licensees that provide a mechanism to initiate a process to delete an account are deemed to be in compliance with this provision (and, it appears, the account deletion and personal data processing requirements).

INABILITY TO AUTHENTICATE REQUESTS

In addition to the exceptions above, the bill allows licensees to ignore requests they cannot authenticate if they give the requestor certain notice. Specifically, that they cannot authenticate the request and will not be able to do so until the requestor provides additional reasonably necessary information. Under the bill, to "authenticate" is using reasonable means and making a commercially reasonable effort to determine if the requestor is the minor for the account or the minor's parents or legal guardians.

ENFORCEMENT OF VIOLATIONS

The bill specifies that none of its provisions may be construed to create a private right of action or grounds for a class action under the Connecticut Unfair Trade Practices Act (CUTPA). By law, CUTPA allows courts to, among other things, issue restraining orders, award actual and punitive damages, and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation (CGS § 42-110a et seq.).

BACKGROUND

Related Bill

HB 6691, favorably reported by the Banking Committee, among other things, changes the definition of "money transmission" under the Money Transmission Act to specifically include using a digital wallet in connection with a consumer payment mobile application.

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 12 Nay 0 (03/06/2025)