AN ACT CONCERNING CONSUMER PRIVACY.

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

Section 1. (NEW) (Effective January 1, 2023) As used in this section and sections 2 to 11, inclusive, of this act, unless the context otherwise requires:

1. (1) "Affiliate" means a legal entity that controls, is controlled by, or is under common control with another legal entity or shares common branding with another legal entity. For the purposes of this subdivision, "control" or "controlled" means (A) ownership of, or the power to vote, more than fifty per cent of the outstanding shares of any class of voting security of a company, (B) control in any manner over the election of a majority of the directors or of individuals exercising similar functions, or (C) the power to exercise controlling influence over the management of a company.

2. (2) "Authenticate" means to verify through reasonable means that the consumer is the same consumer exercising such consumer rights with respect to the personal data at issue.
(3) "Biometric data" means data generated by automatic measurements of an individual's biological characteristics, such as a fingerprint, voiceprint, eye retinas, irises or other unique biological patterns or characteristics that are used to identify a specific individual. "Biometric data" does not include a physical or digital photograph, a video or audio recording or data generated therefrom, or information collected, used or stored for health care treatment, payment or operations under HIPAA.

(4) "Business associate" has the same meaning as described in HIPAA.

(5) "Child" means any natural person less than thirteen years of age.

(6) "Consent" means a clear affirmative act signifying a consumer's freely given, specific, informed and unambiguous agreement to process personal data relating to the consumer. Consent may include a written statement, including by electronic means, or any other unambiguous affirmative action.

(7) "Consumer" means a natural person who is a resident of this state and acting only in an individual or household context. "Consumer" does not include a natural person acting in a commercial or employment context.

(8) "Controller" means the natural or legal person that, alone or jointly with others, determines the purpose and means of processing personal data.

(9) "Covered entity" has the same meaning as described by HIPAA.

(10) "Decisions that produce legal or similarly significant effects concerning a consumer" means a decision made by the controller that results in the provision or denial by the controller of financial and lending services, housing, insurance, education enrollment, criminal justice, employment opportunities, health care services or access to basic necessities, such as food and water.

(11) "De-identified data" means data that cannot reasonably be linked
to an identified or identifiable natural person, or a device linked to such person.

(12) "Health record" means the health-related record of an individual, and may include, but need not be limited to, continuity of care documents, discharge summaries and other information or data relating to a patient's demographics, medical history, medication, allergies, immunizations, laboratory test results, radiology or other diagnostic images, vital signs and statistics.

(13) "Health care provider" means any person, corporation, limited liability company, facility or institution licensed by this state to provide health care or professional services, or an officer, employee or agent thereof acting in the course and scope of his or her employment.

(14) "HIPAA" means the federal Health Insurance Portability and Accountability Act of 1996, 42 USC 1320d et seq.

(15) "Identified or identifiable natural person" means a person who can be readily identified, directly or indirectly.

(16) "Institution of higher education" means any person, school, board, association, limited liability company or corporation that is licensed or accredited to offer one or more programs of higher learning leading to one or more degrees.

(17) "Nonprofit organization" means any organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time.

(18) "Personal data" means any information that is linked or reasonably linkable to an identified or identifiable natural person. "Personal data" does not include de-identified data or publicly available information.

(19) "Precise geolocation data" means information derived from technology, including, but not limited to, global positioning system
level latitude and longitude coordinates or other mechanisms, that
directly identify the specific location of a natural person with precision
and accuracy within a radius of one thousand seven hundred fifty feet.
"Precise geolocation data" does not include the content of
communications or any data generated by or connected to advanced
utility metering infrastructure systems or equipment for use by a utility.

(20) "Process" or "processing" means any operation or set of
operations performed, whether by manual or automated means, on
personal data or on sets of personal data, such as the collection, use,
storage, disclosure, analysis, deletion or modification of personal data.

(21) "Processor" means a natural or legal entity that processes
personal data on behalf of a controller.

(22) "Profiling" means any form of automated processing performed
on personal data to evaluate, analyze, or predict personal aspects related
to an identified or identifiable natural person's economic situation,
health, personal preferences, interests, reliability, behavior, location or
movements.

(23) "Protected health information" has the same meaning as
described in HIPAA.

(24) "Pseudonymous data" means personal data that cannot be
attributed to a specific natural person without the use of additional
information, provided that such additional information is kept
separately and is subject to appropriate technical and organizational
measures to ensure that the personal data is not attributed to an
identified or identifiable natural person.

(25) "Publicly available information" means information that is
lawfully made available through federal, state or municipal government
records, or information that a business has a reasonable basis to believe
is lawfully made available to the general public through widely
distributed media, by the consumer, or by a person to whom the
consumer has disclosed the information, unless the consumer has
restricted the information to a specific audience.

(26) "Sale of personal data" means the exchange of personal data for monetary consideration by the controller to a third party. "Sale of personal data" does not include: (A) The disclosure of personal data to a processor that processes the personal data on behalf of the controller, (B) the disclosure of personal data to a third party for purposes of providing a product or service requested by the consumer, (C) the disclosure or transfer of personal data to an affiliate of the controller, (D) the disclosure of information that the consumer (i) intentionally made available to the general public via a channel of mass media, and (ii) did not restrict to a specific audience, or (E) the disclosure or transfer of personal data to a third party as an asset that is part of a merger, acquisition, bankruptcy or other transaction in which the third party assumes control of all or part of the controller's assets.

(27) "Sensitive data" means personal data that includes: (A) Data revealing racial or ethnic origin, religious beliefs, mental or physical health diagnosis, sexual orientation or citizenship or immigration status, (B) the processing of genetic or biometric data for the purpose of uniquely identifying a natural person, (C) personal data collected from a known child, or (D) precise geolocation data.

(28) "Targeted advertising" means displaying advertisements to a consumer where the advertisement is selected based on personal data obtained from that consumer's activities over time and across nonaffiliated Internet web sites or online applications to predict such consumer's preferences or interests. "Targeted advertising" does not include: (A) Advertisements based on activities within a controller's own Internet web sites or online applications, (B) advertisements based on the context of a consumer's current search query, visit to an Internet web site or online application, (C) advertisements directed to a consumer in response to the consumer's request for information or feedback, or (D) processing personal data processed solely for measuring or reporting advertising performance, reach or frequency.
"Third party" means a natural or legal person, public authority, agency or body other than the consumer, controller, processor or an affiliate of the processor or the controller.

Sec. 2. (NEW) (Effective January 1, 2023) The provisions of section 1 of this act, this section and sections 3 to 11, inclusive, of this act apply to persons that conduct business in this state or persons that produce products or services that are targeted to residents of this state and that: (1) During a calendar year, control or process personal data of not less than one hundred thousand consumers, or (2) control or process personal data of not less than twenty-five thousand consumers and that derive more than fifty per cent of their gross revenue from the sale of personal data.

Sec. 3. (NEW) (Effective January 1, 2023) (a) The provisions of sections 1 and 2 of this act, this section and sections 4 to 11, inclusive, of this act shall not apply to any: (1) Body, authority, board, bureau, commission, district or agency of this state or of any political subdivision of this state, (2) financial institution or data subject to Title V of the federal Gramm-Leach-Bliley Act, 15 USC 6801 et seq., (3) covered entity or business associate governed by the privacy, security and breach notification rules issued by the United States Department of Health and Human Services, 45 CFR 160 and 164, established pursuant to HIPAA, and the Health Information Technology for Economic and Clinical Health Act, (4) nonprofit organization, or (5) institution of higher education.

(b) The following information and data is exempt from the provisions of sections 1 and 2 of this act, this section and sections 4 to 11, inclusive, of this act: (1) Protected health information under HIPAA, (2) health records, (3) patient identifying information for purposes of 42 USC 290dd-2, (4) identifiable private information for purposes of the federal policy for the protection of human subjects under 45 CFR 46, (5) identifiable private information that is otherwise information collected as part of human subjects research pursuant to the good clinical practice guidelines issued by the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use, (6) the
protection of human subjects under 21 CFR 6, 50 and 56, or personal
data used or shared in research conducted in accordance with the
requirements set forth in this chapter, or other research conducted in
accordance with applicable law, (7) information and documents created
for purposes of the federal Health Care Quality Improvement Act of
1986, 42 USC 11101 et seq., (8) patient safety work product for purposes
of the federal Patient Safety and Quality Improvement Act, 42 USC
299b-21 et seq., (9) information derived from any of the health care
related information listed in this subsection that is de-identified in
accordance with the requirements for de-identification pursuant to
HIPAA, (10) information originating from, and intermingled to be
indistinguishable with, or information treated in the same manner as
information exempt under this subsection that is maintained by a
covered entity or business associate as defined by HIPAA or a program
or a qualified service organization as defined by 42 USC 290dd-2, (11)
information used only for public health activities and purposes as
authorized by HIPAA, (12) the collection, maintenance, disclosure, sale,
communication or use of any personal information bearing on a
consumer's credit worthiness, credit standing, credit capacity, character,
general reputation, personal characteristics or mode of living by a
consumer reporting agency, furnisher or user that provides information
for use in a consumer report, and by a user of a consumer report, but
only to the extent that such activity is regulated by and authorized
under the federal Fair Credit Reporting Act, 15 USC 1681 et seq., (13)
personal data collected, processed, sold or disclosed in compliance with
the federal Driver's Privacy Protection Act of 1994, 18 USC 2721 et seq.,
(14) personal data regulated by the federal Family Educational Rights
and Privacy Act, 20 USC 1232g et seq., (15) personal data collected,
processed, sold or disclosed in compliance with the federal Farm Credit
Act, 12 USC 2001 et seq., and (16) data processed or maintained (A) in
the course of an individual applying to, employed by, or acting as an
agent or independent contractor of a controller, processor or third party,
to the extent that the data is collected and used within the context of that
role; (B) as the emergency contact information of an individual under
this chapter used for emergency contact purposes, or (C) that is
necessary to retain to administer benefits for another individual relating to the individual under subdivision (1) of this subsection and used for the purposes of administering those benefits.

(c) Controllers and processors that comply with the verifiable parental consent requirements of the Children's Online Privacy Protection Act, 15 USC 6501 et seq. shall be deemed compliant with any obligation to obtain parental consent pursuant to sections 1 and 2 of this act, this section and sections 4 to 11, inclusive, of this act.

Sec. 4. (NEW) (Effective January 1, 2023) (a) A consumer may invoke the consumer rights authorized pursuant to this section at any time by submitting a request to a controller specifying the consumer rights the consumer wishes to invoke. A known child's parent or legal guardian may invoke such consumer rights on behalf of the child regarding processing personal data belonging to the known child. A controller shall comply with an authenticated consumer request to exercise the right to: (1) Confirm whether or not a controller is processing the consumer's personal data and to access such personal data, (2) correct inaccuracies in the consumer's personal data, taking into account the nature of the personal data and the purposes of the processing of the consumer's personal data, (3) delete personal data provided by or obtained about the consumer, (4) obtain a copy of the consumer's personal data that the consumer previously provided to the controller in a portable and, to the extent technically feasible, readily usable format that allows the consumer to transmit the data to another controller without hindrance, where the processing is carried out by automated means, and (5) opt out of the processing of the personal data for purposes of (A) targeted advertising, (B) the sale of personal data, or (C) profiling in furtherance of decisions that produce legal or similarly significant effects concerning the consumer.

(b) Except as otherwise provided in sections 1 to 3, inclusive, of this act, this section and sections 5 to 11, inclusive, of this act, a controller shall comply with a request by a consumer to exercise the consumer rights authorized pursuant to said sections as follows:
(1) A controller shall respond to the consumer without undue delay, but not later than forty-five days after receipt of the request. The response period may be extended once by forty-five additional days when reasonably necessary, taking into account the complexity and number of the consumer's requests, provided the controller informs the consumer of any such extension within the initial forty-five-day response period, together with the reason for the extension.

(2) If a controller declines to take action regarding the consumer's request, the controller shall inform the consumer without undue delay, but not later than forty-five days after receipt of the request, of the justification for declining to take action and instructions for how to appeal the decision.

(3) Information provided in response to a consumer request shall be provided by a controller free of charge, up to twice annually per consumer. If requests from a consumer are manifestly unfounded, excessive or repetitive, the controller may charge the consumer a reasonable fee to cover the administrative costs of complying with the request or decline to act on the request. The controller bears the burden of demonstrating the manifestly unfounded, excessive or repetitive nature of the request.

(4) If a controller is unable to authenticate the request using commercially reasonable efforts, the controller shall not be required to comply with a request to initiate an action pursuant to this section and may request that the consumer provide additional information reasonably necessary to authenticate the consumer and the consumer's request.

(c) A controller shall establish a process for a consumer to appeal the controller's refusal to take action on a request within a reasonable period of time after the consumer's receipt of the decision. The appeal process shall be conspicuously available and similar to the process for submitting requests to initiate action pursuant to this section. Not later than sixty days after receipt of an appeal, a controller shall inform the
consumer in writing of any action taken or not taken in response to the
appeal, including a written explanation of the reasons for the decisions.
If the appeal is denied, the controller shall also provide the consumer
with an online mechanism, if available, or other method through which
the consumer may contact the Attorney General to submit a complaint.

Sec. 5. (NEW) (Effective January 1, 2023) (a) A controller shall: (1) Limit
the collection of personal data to what is adequate, relevant and
reasonably necessary in relation to the purposes for which such data is
processed, as disclosed to the consumer, (2) except as otherwise
provided in sections 1 to 4, inclusive, of this act, this section and sections
6 to 11, inclusive, of this act, not process personal data for purposes that
are neither reasonably necessary to nor compatible with the disclosed
purposes for which such personal data is processed, as disclosed to the
consumer, unless the controller obtains the consumer's consent, (3)
establish, implement and maintain reasonable administrative, technical
and physical data security practices to protect the confidentiality,
integrity and accessibility of personal data appropriate to the volume
and nature of the personal data at issue, (4) not process personal data in
violation of the laws of this state and federal laws that prohibit unlawful
discrimination against consumers. A controller shall not discriminate
against a consumer for exercising any of the consumer rights contained
in sections 1 to 4, inclusive, of this act, this section and sections 6 to 11,
inclusive, of this act, including denying goods or services, charging
different prices or rates for goods or services or providing a different
level of quality of goods and services to the consumer. Nothing in this
subsection shall be construed to require a controller to provide a
product or service that requires the personal data of a consumer that the
controller does not collect or maintain or to prohibit a controller from
offering a different price, rate, level, quality or selection of goods or
services to a consumer, including offering goods or services for no fee,
if the consumer has exercised his right to opt out or the offer is related
to a consumer's voluntary participation in a bona fide loyalty, rewards,
premium features, discounts or club card program, and (5) not process
sensitive data concerning a consumer without obtaining the consumer's
consent, or, in the case of the processing of sensitive data concerning a
known child, without processing such data in accordance with the
federal Children's Online Privacy Protection Act, 15 USC 6501 et seq.

(b) Controllers shall provide consumers with a reasonably accessible,
clear, and meaningful privacy notice that includes: (1) The categories of
personal data processed by the controller, (2) the purpose for processing
personal data, (3) how consumers may exercise their consumer rights,
including how a consumer may appeal a controller's decision with
regard to the consumer's request, (4) the categories of personal data that
the controller shares with third parties, if any, and (5) the categories of
third parties, if any, with whom the controller shares personal data.

(c) If a controller sells personal data to third parties or processes
personal data for targeted advertising, the controller shall clearly and
conspicuously disclose such processing, as well as the manner in which
a consumer may exercise the right to opt out of such processing.

(d) A controller shall establish, and shall describe in a privacy notice,
one or more secure and reliable means for consumers to submit a
request to exercise their consumer rights pursuant to sections 1 to 4,
inclusive, of this act, this section and sections 6 to 11, inclusive, of this
act. Such means shall take into account the ways in which consumers
normally interact with the controller, the need for secure and reliable
communication of such requests, and the ability of the controller to
authenticate the identity of the consumer making the request.
Controllers shall not require a consumer to create a new account in order
to exercise consumer rights, but may require a consumer to use an
existing account.

Sec. 6. (NEW) (Effective January 1, 2023) (a) A processor shall adhere
to the instructions of a controller and shall assist the controller in
meeting its obligations pursuant to sections 1 to 5, inclusive, of this act,
this section and sections 7 to 11, inclusive, of this act. Such assistance
shall include: (1) Taking into account the nature of processing and the
information available to the processor, by appropriate technical and
organizational measures, insofar as is reasonably practicable, to fulfill
the controller's obligation to respond to consumer rights requests, (2)
taking into account the nature of processing and the information
available to the processor, by assisting the controller in meeting the
controller's obligations in relation to the security of processing the
personal data and in relation to the notification of a breach of security
of the system of the processor, in order to meet the controller's
obligations, and (3) providing necessary information to enable the
controller to conduct and document data protection assessments.

(b) A contract between a controller and a processor shall govern the
processor's data processing procedures with respect to processing
performed on behalf of the controller. The contract shall be binding and
clearly set forth instructions for processing data, the nature and purpose
of processing, the type of data subject to processing, the duration of
processing and the rights and obligations of both parties. The contract
shall also include requirements that the processor shall: (1) Ensure that
each person processing personal data is subject to a duty of
confidentiality with respect to the data, (2) at the controller's direction,
delete or return all personal data to the controller as requested at the
end of the provision of services, unless retention of the personal data is
required by law, (3) upon the reasonable request of the controller, make
available to the controller all information in its possession necessary to
demonstrate the processor's compliance with the obligations in sections
1 to 5, inclusive, of this act, this section and sections 7 to 11, inclusive, of
this act, (4) allow, and cooperate with, reasonable assessments by the
controller or the controller's designated assessor, or the processor may
arrange for a qualified and independent assessor to conduct an
assessment of the processor's policies and technical and organizational
measures in support of the obligations under sections 1 to 5, inclusive,
of this act, this section and sections 7 to 11, inclusive, of this act, using
an appropriate and accepted control standard or framework and
assessment procedure for such assessments. The processor shall provide
a report of such assessment to the controller upon request, and (5)
engage any subcontractor pursuant to a written contract that requires
the subcontractor to meet the obligations of the processor with respect
to the personal data.

(c) Nothing in this section shall be construed to relieve a controller or
a processor from the liabilities imposed on it by virtue of its role in the
processing relationship as defined in sections 1 to 11, inclusive, of this
act.

(d) Determining whether a person is acting as a controller or
processor with respect to a specific processing of data is a fact-based
determination that depends upon the context in which personal data is
to be processed. A processor that continues to adhere to a controller's
instructions with respect to a specific processing of personal data
remains a processor.

Sec. 7. (NEW) (Effective January 1, 2023) (a) A controller shall conduct
and document a data protection assessment of each of the following
processing activities involving personal data: (1) The processing of
personal data for purposes of targeted advertising, (2) the sale of
personal data, (3) the processing of personal data for purposes of
profiling, where such profiling presents a reasonably foreseeable risk of
(A) unfair or deceptive treatment of, or unlawful disparate impact on,
consumers, (B) financial, physical or reputational injury to consumers,
(C) a physical or other intrusion upon the solitude or seclusion, or the
private affairs or concerns, of consumers, where such intrusion would
be offensive to a reasonable person, or (D) other substantial injury to
consumers, (4) the processing of sensitive data, and (5) any processing
activities involving personal data that present a heightened risk of harm
to consumers.

(b) Data protection assessments conducted pursuant to subsection (a)
of this section shall identify and weigh the benefits that may flow,
directly and indirectly, from the processing to the controller, the
consumer, other stakeholders and the public against the potential risks
to the rights of the consumer associated with such processing, as
mitigated by safeguards that can be employed by the controller to
reduce such risks. The use of de-identified data and the reasonable
expectations of consumers, as well as the context of the processing and
the relationship between the controller and the consumer whose
personal data will be processed, shall be factored into this assessment
by the controller.

(c) The Attorney General may require that a controller disclose any
data protection assessment that is relevant to an investigation
conducted by the Attorney General, and the controller shall make the
data protection assessment available to the Attorney General. The
Attorney General may evaluate the data protection assessment for
compliance with the responsibilities set forth in sections 1 to 6, inclusive,
of this act, this section and sections 8 to 11, inclusive, of this act. Data
protection assessments shall be confidential and shall be exempt from
disclosure under the Freedom of Information Act, as defined in section
1-200 of the general statutes. The disclosure of a data protection
assessment pursuant to a request from the Attorney General shall not
constitute a waiver of attorney-client privilege or work product
protection with respect to the assessment and any information
contained in the assessment.

(d) A single data protection assessment may address a comparable
set of processing operations that include similar activities.

(e) Data protection assessments conducted by a controller for the
purpose of compliance with other laws or regulations may comply
under this section if the assessments have a reasonably comparable
scope and effect.

(f) Data protection assessment requirements shall apply to processing
activities created or generated after January 1, 2023, and are not
retroactive.

Sec. 8. (NEW) (Effective January 1, 2023) (a) The controller in
possession of de-identified data shall: (1) Take reasonable measures to
ensure that the data cannot be associated with a natural person, (2)
publicly commit to maintaining and using de-identified data without
attempting to re-identify the data, and (3) contractually obligate any recipients of the de-identified data to comply with all provisions of sections 1 to 7, inclusive, of this act, this section and sections 9 to 11, inclusive, of this act.

(b) Nothing in sections 1 to 7, inclusive, of this act, this section and sections 9 to 11, inclusive, of this act shall be construed to (1) require a controller or processor to re-identify de-identified data or pseudonymous data, or (2) maintain data in identifiable form, or collect, obtain, retain or access any data or technology, in order to be capable of associating an authenticated consumer request with personal data.

(c) Nothing in sections 1 to 7, inclusive, of this act, this section and sections 9 to 11, inclusive, of this act shall be construed to require a controller or processor to comply with an authenticated consumer rights request, if all of the following are true, if the controller: (1) Is not reasonably capable of associating the request with the personal data or it would be unreasonably burdensome for the controller to associate the request with the personal data, (2) does not use the personal data to recognize or respond to the specific consumer who is the subject of the personal data, or associate the personal data with other personal data about the same specific consumer, and (3) does not sell the personal data to any third party other than a processor, except as otherwise permitted in this section.

(d) Consumer rights shall not apply to pseudonymous data in cases where the controller is able to demonstrate any information necessary to identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing such information.

(e) A controller that discloses pseudonymous data or de-identified data shall exercise reasonable oversight to monitor compliance with any contractual commitments to which the pseudonymous data or de-identified data is subject and shall take appropriate steps to address any
breaches of those contractual commitments.

Sec. 9. (NEW) (Effective January 1, 2023) (a) Nothing in sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act shall be construed to restrict a controller's or processor's ability to: (1) Comply with federal, state or municipal ordinances or regulations, (2) comply with a civil, criminal or regulatory inquiry, investigation, subpoena or summons by federal, state, municipal or other governmental authorities, (3) cooperate with law-enforcement agencies concerning conduct or activity that the controller or processor reasonably and in good faith believes may violate federal, state or municipal ordinances or regulations, (4) investigate, establish, exercise, prepare for or defend legal claims, (5) provide a product or service specifically requested by a consumer, (6) perform a contract to which a consumer is a party, including fulfilling the terms of a written warranty, (7) take steps at the request of a consumer prior to entering into a contract, (8) take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or of another natural person, and where the processing cannot be manifestly based on another legal basis, (9) prevent, detect, protect against or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities or any illegal activity, preserve the integrity or security of systems or investigate, report or prosecute those responsible for any such action, (10) engage in public or peer-reviewed scientific or statistical research in the public interest that adheres to all other applicable ethics and privacy laws and is approved, monitored and governed by an institutional review board, or similar independent oversight entities that determine (A) if the deletion of the information is likely to provide substantial benefits that do not exclusively accrue to the controller, (B) the expected benefits of the research outweigh the privacy risks, and (C) if the controller has implemented reasonable safeguards to mitigate privacy risks associated with research, including any risks associated with re-identification, or (11) assist another controller, processor, or third party with any of the obligations under sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act.
(b) The obligations imposed on controllers or processors under sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 shall not restrict a controller's or processor's ability to collect, use, or retain data to: (1) Conduct internal research to develop, improve, or repair products, services, or technology, (2) effectuate a product recall, (3) identify and repair technical errors that impair existing or intended functionality, or (4) perform internal operations that are reasonably aligned with the expectations of the consumer or reasonably anticipated based on the consumer's existing relationship with the controller or are otherwise compatible with processing data in furtherance of the provision of a product or service specifically requested by a consumer or the performance of a contract to which the consumer is a party.

(c) The obligations imposed on controllers or processors under sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act shall not apply where compliance by the controller or processor with said sections would violate an evidentiary privilege under the laws of this state. Nothing in sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act shall be construed to prevent a controller or processor from providing personal data concerning a consumer to a person covered by an evidentiary privilege under the laws of the state as part of a privileged communication.

(d) A controller or processor that discloses personal data to a third-party controller or processor, in compliance with the requirements of sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act is not in violation of said sections if the third-party controller or processor that receives and processes such personal data is in violation of said sections, provided, at the time of disclosing the personal data, the disclosing controller or processor did not have actual knowledge that the recipient intended to commit a violation of said sections. A third-party controller or processor receiving personal data from a controller or processor in compliance with the requirements of sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act is likewise not in violation of said sections for the transgressions of the controller or processor from which it receives such
(e) Nothing in sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act shall be construed as an obligation imposed on controllers and processors that adversely affects the rights or freedoms of any persons, such as exercising the right of free speech pursuant to the First Amendment to the United States Constitution, or applies to the processing of personal data by a person in the course of a purely personal or household activity.

(f) Personal data processed by a controller pursuant to sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act shall not be processed for any purpose other than those expressly listed in this section unless otherwise allowed by sections 1 to 8, inclusive, of this act, this section and sections 10 and 11 of this act. Personal data processed by a controller pursuant to this section may be processed to the extent that such processing is: (1) Reasonably necessary and proportionate to the purposes listed in this section, and (2) adequate, relevant and limited to what is necessary in relation to the specific purposes listed in this section. Personal data collected, used, or retained pursuant to subsection (b) of this section shall, where applicable, take into account the nature and purpose or purposes of such collection, use, or retention. Such data shall be subject to reasonable administrative, technical, and physical measures to protect the confidentiality, integrity, and accessibility of the personal data and to reduce reasonably foreseeable risks of harm to consumers relating to such collection, use, or retention of personal data.

(g) If a controller processes personal data pursuant to an exemption in this section, the controller bears the burden of demonstrating that such processing qualifies for the exemption and complies with the requirements in subsection (f) of this section.

(h) Processing personal data for the purposes expressly identified in this section shall not solely make an entity a controller with respect to such processing.
Sec. 10. (NEW) (Effective January 1, 2023) (a) The Attorney General shall have exclusive authority to enforce violations of sections 1 to 9, inclusive, of this act, this section and section 11 of this act.

(b) Prior to initiating any action under sections 1 to 9, inclusive, of this act, this section and section 11 of this act, the Attorney General shall provide a controller or processor not less than thirty days’ written notice identifying the specific provisions of said sections the Attorney General, on behalf of a consumer, alleges have been or are being violated. If, prior to such time period, the controller or processor cures the noticed violation and provides the Attorney General an express written statement that the alleged violations have been cured and that no further violations shall occur, no action for statutory damages shall be initiated against the controller or processor.

(c) If a controller or processor continues to violate sections 1 to 9, inclusive, of this act, this section and section 11 of this act in breach of an express written statement provided to the consumer under this section, the Attorney General may initiate a civil action in Superior Court and seek damages not to exceed seven thousand five hundred dollars for each violation of sections 1 to 9, inclusive, of this act, this section and section 11 of this act.

(d) Nothing in sections 1 to 9, inclusive, of this act, this section and section 11 of this act shall be construed as providing the basis for, or be subject to, a private right of action to violations of said sections or any other law.

Sec. 11. (NEW) (Effective January 1, 2023) (a) The Attorney General shall have exclusive authority to enforce sections 1 to 10, inclusive, of this act by bringing an action in the name of the state, or on behalf of persons residing in this state.

(b) Any controller or processor that violates sections 1 to 10, inclusive, of this act shall be liable for a civil penalty of not more than seven thousand five hundred dollars for each violation.
(c) The Attorney General may recover reasonable expenses incurred in investigating and preparing the case, including attorney fees, of any action initiated under sections 1 to 10, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Effective Date</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 1</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 2</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 3</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 4</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 5</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 6</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 7</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 8</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 9</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 10</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 11</td>
<td>January 1, 2023</td>
<td>New section</td>
</tr>
</tbody>
</table>

Statement of Purpose:

To establish a framework for controlling and processing personal data, to establish responsibilities and privacy protection standards for data controllers and processors, to grant consumers the right to access, correct, delete and obtain a copy of personal data and to opt out of the processing of personal data for the purposes of targeted advertising.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]