The Senate Committee on Science and Technology offered the following substitute to SB 473:

A BILL TO BE ENTITLED AN ACT

1 To amend Title 10 of the Official Code of Georgia Annotated, relating to commerce and 2 trade, so as to enact the "Georgia Consumer Privacy Protection Act"; to protect the privacy 3 of consumer personal data in this state; to provide for definitions; to provide for applicability; 4 to provide for exemptions for certain entities, data, and uses of data; to provide for consumer 5 rights regarding personal data; to provide for a consumer to exercise such rights by 6 submitting a request to a controller; to provide for a controller to promptly respond to such 7 requests; to provide for exemptions; to provide for responsibilities of processors and 8 controllers; to provide for notice and disclosure; to provide for security practices to protect 9 consumer personal data; to allow a controller to offer different goods or services under 10 certain conditions; to provide for limitations; to provide for statutory construction; to provide 11 for enforcement and penalties; to provide an affirmative defense; to prohibit the disclosure 12 of personal data of consumers to local governments unless pursuant to a subpoena or court 13 order; to provide for preemption of local regulation; to provide for related matters; to provide 14 an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

17 Title 10 of the Official Code of Georgia Annotated, relating to commerce and trade, is

- 18 amended by adding a new article to Chapter 1, relating to selling and other trade practices,
- 19 to read as follows:

20 "<u>ARTICLE 37</u>

- 21 10-1-960.
- 22 This article shall be known and may be cited as the 'Georgia Consumer Privacy Protection
- 23 Act.'
- 24 <u>10-1-961.</u>
- 25 As used in this article, the term:
- 26 (1) 'Affiliate' means a legal entity that controls, is controlled by, or is under common
- 27 <u>control with another legal entity or shares common branding with another legal entity.</u>
- For purposes of this paragraph, the term 'control' or 'controlled' means:
- 29 (A) Ownership of, or the power to vote, more than 50 percent of the outstanding shares
- of a class of voting security of an entity;
- 31 (B) Control in any manner over the election of a majority of the directors or of
- 32 <u>individuals exercising similar functions relative to an entity; or</u>
- 33 (C) The power to exercise controlling influence over the management of an entity.
- 34 (2) 'Authenticate' means to verify using reasonable means that a consumer who is
- 35 entitled to exercise the rights in Code Section 10-1-963, is the same consumer who is
- 36 exercising such consumer rights with respect to the personal information at issue.
- 37 (3)(A) 'Biometric data' means data generated by automatic measurement of an
- 38 <u>individual's biological characteristics</u>, such as a fingerprint, voiceprint, eye retina or iris,

or other unique biological patterns or characteristics that are used to identify a specific

- 40 <u>individual.</u>
- 41 (B) Such term shall not include:
- 42 (i) A physical or digital photograph, video recording, or audio recording or data
- generated from a photograph or video or audio recording; or
- 44 (ii) Information collected, used, or stored for healthcare treatment, payment, or
- 45 <u>operations under HIPAA.</u>
- 46 (4) 'Consent' means a clear affirmative act signifying a consumer's freely given, specific,
- informed, and unambiguous agreement to process personal information relating to the
- 48 <u>consumer. Such term may include a written statement, including a statement written by</u>
- 49 <u>electronic means, or an unambiguous affirmative action.</u>
- 50 (5) 'Consumer' means an individual who is a resident of this state acting only in a
- 51 personal context. Such term shall not include an individual acting in a commercial or
- 52 <u>employment context.</u>
- 53 (6) 'Controller' means the person that, alone or jointly with others, determines the
- 54 purpose and means of processing personal information.
- 55 (7) 'Decisions that produce legal or similarly significant effects concerning the consumer'
- 56 means decisions made by the controller that result in the provision or denial by the
- 57 <u>controller of financial or lending services, housing, insurance, education enrollment or</u>
- 58 opportunity, criminal justice, employment opportunities, healthcare services, or access
- to basic necessities, such as food and water;
- 60 (8) 'De-identified data' means data that cannot reasonably be linked to an identified or
- 61 <u>identifiable individual, or any device linked to such natural person;</u>
- 62 (9) 'Health record' means a written, printed, or electronically recorded material that:
- (A) In the course of providing healthcare services to an individual was created or is
- 64 <u>maintained by a healthcare facility described in or licensed pursuant to Title 31; and</u>
- (B) Concerns the individual and the healthcare services provided.

Such term includes the substance of a communication made by an individual to a

- 67 <u>healthcare facility described in or licensed pursuant to Title 31 in confidence during or</u>
- in connection with the provision of healthcare services or information otherwise acquired
- by the healthcare entity about an individual in confidence and in connection with the
- 70 provision of healthcare services to the individual.
- 71 (10) 'HIPAA' means the federal Health Insurance Portability and Accountability Act of
- 72 <u>1996, as amended, 42 U.S.C. Section 1320d et seq.</u>
- 73 (11) 'Identified or identifiable individual' means a natural person who can be readily
- 74 <u>identified, whether directly or indirectly.</u>
- 75 (12) 'Known child' means an individual who the controller has actual knowledge is under
- 76 <u>13 years of age.</u>
- 77 (13) 'NIST' means the National Institute of Standards and Technology privacy
- 78 <u>framework entitled 'A Tool for Improving Privacy through Enterprise Risk Management</u>
- 79 Version 1.0.'
- 80 (14) 'Person' means any individual or entity.
- 81 (15)(A) 'Personal information' means information that is linked or reasonably linkable
- to an identified or identifiable individual.
- 83 (B) Such term shall not include information that:
- 84 (i) Is publicly available information;
- 85 (ii) Does not identify an individual and with respect to which there is no reasonable
- 86 <u>basis to believe that the information can be used alone or in combination with other</u>
- 87 <u>information to identify an individual; or</u>
- 88 (iii) Is de-identified using a method no less secure than methods provided under
- 89 HIPAA.
- 90 (16)(A) 'Precise geolocation data' means information derived from technology,
- 91 <u>including, but not limited to, global positioning system level latitude and longitude</u>

92 <u>coordinates or other mechanisms, that directly identifies the specific location of a</u>

- 93 <u>natural person with precision and accuracy within a radius of 1,750 feet.</u>
- 94 (B) Such term shall not include:
- 95 (i) The content of communications; or
- 96 (ii) Data generated by or connected to advanced utility metering infrastructure
- 97 <u>systems or equipment for use by a utility.</u>
- 98 (17) 'Process' or 'processing' means an operation or set of operations performed, whether
- by manual or automated means, on personal information or on sets of personal
- information, such as the collection, use, storage, disclosure, analysis, deletion, or
- modification of personal information.
- 102 (18) 'Processor' means a person that processes personal information on behalf of a
- 103 <u>controller.</u>
- 104 (19) 'Profiling' means a form of automated processing performed on personal
- information solely to evaluate, analyze, or predict personal aspects related to an identified
- or identifiable individual's economic situation, health, personal preferences, interests,
- reliability, behavior, location, or movements.
- 108 (20) 'Pseudonymous data' means personal information that cannot be attributed to a
- specific individual without the use of additional information, so long as the additional
- information is kept separately and is subject to appropriate technical and organizational
- measures to ensure that the personal information is not attributed to an identified or
- identifiable individual.
- 113 (21) 'Publicly available information' means information that is lawfully made available
- through federal, state, or local 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 which the consumer has
- disclosed the information, unless the consumer has restricted the information to a specific
- audience.

119	(22)(A) 'Sale of personal information' means the exchange of personal information for
120	monetary or other valuable consideration by the controller to a third party.
121	(B) Such term shall not include:
122	(i) The disclosure of personal information to a processor that processes the personal
123	information on behalf of the controller;
124	(ii) The disclosure of personal information to a third party for purposes of providing
125	a product or service requested by the consumer;
126	(iii) The disclosure or transfer of personal information to an affiliate of the controller;
127	(iv) The disclosure of information that the consumer:
128	(I) Intentionally made available to the general public via a channel of mass media;
129	<u>and</u>
130	(II) Did not restrict to a specific audience; or
131	(v) The disclosure or transfer of personal information to a third party as an asset that
132	is part of a merger, acquisition, bankruptcy, or other transaction in which the third
133	party assumes control of all or part of the controller's assets.
134	(23) 'Sensitive data' means a category of personal information that includes:
135	(A) Personal information revealing racial or ethnic origin, religious belief, mental or
136	physical health diagnosis, sexual orientation, or citizenship or immigration status;
137	(B) The processing of genetic data, data that contains 'nudity' or 'sexual conduct' as
138	defined in subsection (b) of Code Section 16-12-181, or biometric data for the purpose
139	of uniquely identifying an individual;
140	(C) The personal information collected from a known child; or
141	(D) Precise geolocation data.
142	(24)(A) 'Targeted advertising' means displaying to a consumer an advertisement that
143	is selected based on personal information obtained from such consumer's activities over
144	time and across nonaffiliated public websites or online applications to predict the
145	consumer's preferences or interests.

146	(B) Such term shall not include:
147	(i) Advertisements based on activities within a controller's own public websites or
148	online applications;
149	(ii) Advertisements based on the context of a consumer's current search query, visit
150	to a public website, or online application;
151	(iii) Advertisements directed to a consumer in response to the consumer's request for
152	information or feedback; or
153	(iv) Personal information processed solely for measuring or reporting advertising
154	performance, reach, or frequency.
155	(25) 'Third party' means a person other than the consumer, controller, processor, or an
156	affiliate of the controller or processor.
157	<u>10-1-962.</u>
158	This article shall apply to a person that conducts business in this state by producing
159	products or services targeted to consumers of this state that exceeds \$25 million in revenue
160	and that:
161	(1) Controls or processes personal information of at least 25,000 consumers and derives
162	more than 50 percent of gross revenue from the sale of personal information; or
163	(2) During a calendar year, controls or processes personal information of at least 175,000
164	consumers.
165	<u>10-1-963.</u>
166	(a)(1) A consumer may invoke the consumer rights authorized pursuant to paragraph (2)
167	of this subsection at any time by submitting, using a means substantially equivalent to
168	that used by the controller to obtain the consent of the consumer for initial use of the
169	personal information, a request to a controller specifying the consumer rights the
170	consumer wishes to invoke. A known child's parent or legal guardian may invoke the

171 consumer rights authorized pursuant to paragraph (2) of this subsection on behalf of the
 172 such known child regarding processing personal information belonging to the known

- child.
- 174 (2) A controller shall comply with an authenticated consumer request to exercise the
- 175 <u>right to:</u>
- (A) Confirm whether a controller is processing the consumer's personal information
- and to access such personal information;
- (B) Correct inaccuracies in the consumer's personal information, taking into account
- the nature of the personal information and the purposes of the processing of such
- consumer's personal information;
- (C) Delete personal information provided by or obtained about the consumer. A
- controller shall not be required to delete information that it maintains or uses as
- aggregate or de-identified data; provided, that such data in the possession of the
- 184 controller is not linked to a specific consumer. A controller that obtained personal
- information about a consumer from a source other than the consumer shall be in
- compliance with a consumer's request to delete such personal information by retaining
- a record of the deletion request and the minimum information necessary for the purpose
- of ensuring that the consumer's personal information remains deleted from the
- controller's records and by not using such retained personal information for any purpose
- 190 prohibited under this article;
- (D) Obtain a copy of the consumer's personal information that the consumer previously
- provided to the controller in a portable and, to the extent technically feasible, readily
- 193 <u>usable format that allows the consumer to transmit such personal information to another</u>
- controller without hindrance, where the processing is carried out by automated means;
- 195 <u>or</u>
- (E) Opt out of a controller's processing of personal information for purposes of:
- (i) Selling personal information about the consumer;

198 (ii) Targeted advertising; or 199 (iii) Profiling in furtherance of decisions that produce legal or similarly significant 200 effects concerning the consumer. (b) Except as otherwise provided in this article, a controller shall comply with an 201 202 authenticated request by a consumer to exercise the consumer rights authorized pursuant 203 to paragraph (2) of subsection (a) of this Code section as follows: 204 (1) A controller shall respond to the consumer without undue delay, but in all cases 205 within 45 days of receipt of a request submitted pursuant to subsection (a) of this Code section. The response period may be extended once by 45 additional days when 206 207 reasonably necessary, taking into account the complexity and number of the consumer's requests, so long as the controller informs the consumer of the extension within the initial 208 209 45 day response period, together with the reason for the extension; (2) If a controller declines to take action regarding the consumer's request, then the 210 211 controller shall inform the consumer without undue delay, but in all cases within 45 days 212 of receipt of the request, of the justification for declining to take action and instructions 213 for how to appeal the decision pursuant to subsection (c) of this Code section; 214 (3) Information provided in response to a consumer request shall be provided by a 215 controller free of charge, up to twice annually per consumer. If requests from a consumer 216 are manifestly unfounded, technically infeasible, excessive, or repetitive, then the 217 controller may charge the consumer a reasonable fee to cover the administrative costs of 218 complying with the request or decline to act on the request. The controller bears the 219 burden of demonstrating the manifestly unfounded, technically infeasible, excessive, or 220 repetitive nature of the request; and

(4) If a controller is unable to authenticate the request using commercially reasonable

efforts, then the controller shall not be required to comply with a request to initiate an

action under subsection (a) of this Code section and may request that the consumer

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224 provide additional information reasonably necessary to authenticate the consumer and the

- 225 <u>consumer's request.</u>
- 226 (c) A controller shall establish a process for a consumer to appeal the controller's refusal
- 227 to take action on a request within a reasonable period of time after the consumer's receipt
- 228 of the decision pursuant to paragraph (2) of subsection (b) of this Code section. The appeal
- 229 process shall be:
- 230 (1) Made available to the consumer in a conspicuous manner;
- 231 (2) Available at no cost to the consumer; and
- 232 (3) Similar to the process for submitting requests to initiate action pursuant to
- 233 <u>subsection (a) of this Code section.</u>
- Within 60 days of receipt of an appeal, a controller shall inform the consumer in writing
- of action taken or not taken in response to the appeal, including a written explanation of
- 236 the reasons for the decision. If the appeal is denied, the controller shall then also provide
- 237 the consumer with an online mechanism, if available, or other method through which the
- consumer may contact the Attorney General to submit a complaint.
- 239 10-1-964.
- 240 (a) A controller shall:
- 241 (1) Limit the collection of personal information to what is adequate, relevant, and
- 242 reasonably necessary in relation to the purposes for which the data is processed, as
- 243 disclosed to the consumer;
- 244 (2) Except as otherwise provided in this article, not process personal information for
- purposes that are beyond what is reasonably necessary to and compatible with the
- 246 disclosed purposes for which the personal information is processed, as disclosed to the
- 247 consumer, unless the controller obtains the consumer's consent;
- 248 (3) Establish, implement, and maintain reasonable administrative, technical, and physical
- 249 data security practices, as described in Code Section 10-1-973, to protect the

250 confidentiality, integrity, and accessibility of personal information. The data security 251 practices shall be appropriate to the volume and nature of the personal information at 252 issue; 253 (4) Not be required to delete information that it maintains or uses as aggregate or de-identified data, provided that such data in the possession of the business is not linked 254 255 to a specific consumer; 256 (5) Not process personal information in violation of state and federal laws that prohibit 257 unlawful discrimination against consumers. A controller shall not discriminate against a consumer for exercising the consumer rights contained in this article, including denying 258 259 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. However, this 260 paragraph shall not require a controller to provide a product or service that requires the 261 personal information of a consumer that the controller does not collect or maintain, or 262 prohibit a controller from offering a different price, rate, level, quality, or selection of 263 264 goods or services to a consumer, including offering goods or services for no fee, if the 265 consumer has exercised the right to opt out pursuant to subparagraph (E) of paragraph (2) 266 of subsection (a) of Code Section 10-1-963 or the offer is related to a consumer's 267 voluntary participation in a bona fide loyalty, rewards, premium features, discounts, or 268 club card program; and 269 (6) Not process sensitive data concerning a consumer without obtaining the consumer's 270 consent, or, in the case of the processing of sensitive data concerning a known child, 271 without processing the data in accordance with the federal Children's Online Privacy Protection Act, as amended, 15 U.S.C. Section 6501 et seg., and its implementing 272 273 regulations. 274 (b) A provision of a contract or agreement that purports to waive or limit the consumer rights described in Code Section 10-1-963 is contrary to public policy and is void and 275 276 unenforceable.

277 (c) A controller shall provide a reasonably accessible, clear, and meaningful privacy notice

- 278 that includes:
- 279 (1) The categories of personal information processed by the controller;
- 280 (2) The purpose for processing personal information;
- 281 (3) How consumers may exercise their consumer rights pursuant to Code
- Section 10-1-963, including how a consumer may appeal a controller's decision with
- 283 <u>regard to the consumer's request;</u>
- 284 (4) The categories of personal information that the controller sells to third parties, if any;
- 285 and
- 286 (5) The categories of third parties, if any, to whom the controller sells personal
- information.
- 288 (d) If a controller sells personal information to third parties or processes personal
- 289 <u>information for targeted advertising, then the controller shall clearly and conspicuously</u>
- 290 <u>disclose the processing, as well as the manner in which a consumer may exercise the right</u>
- 291 to opt out of the processing.
- 292 (e)(1) A controller shall provide, and shall describe in a privacy notice, one or more
- 293 secure and reliable means for a consumer to submit a request to exercise the consumer
- rights described in Code Section 10-1-963. Such means shall take into account the:
- 295 (A) Ways in which a consumer normally interacts with the controller;
- 296 (B) Need for secure and reliable communication of such requests; and
- (C) Ability of a controller to authenticate the identity of the consumer making the
- 298 <u>request.</u>
- 299 (2) A controller shall not require a consumer to create a new account in order to exercise
- 300 the consumer rights described in Code Section 10-1-963, but may require a consumer to
- 301 <u>use an existing account.</u>

- 302 <u>10-1-965.</u>
- 303 (a) A processor shall adhere to the instructions of a controller and shall assist the controller
- 304 <u>in meeting its obligations under this article</u>. The assistance provided by the processor shall
- 305 <u>include:</u>
- 306 (1) Taking into account the nature of processing and the information available to the
- 307 processor, by appropriate technical and organizational measures, insofar as reasonably
- practicable, to fulfill the controller's obligation to respond to consumer rights requests
- pursuant to Code Section 10-1-963; and
- 310 (2) Providing necessary information to enable the controller to conduct and document
- data protection assessments pursuant to Code Section 10-1-966.
- 312 (b) A contract between a controller and a processor governs the processor's data processing
- 313 procedures with respect to processing performed on behalf of the controller. The contract
- 314 shall be binding and shall clearly set forth instructions for processing data, the nature and
- 315 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:
- 318 (1) Ensure that each person processing personal information is subject to a duty of
- 319 confidentiality with respect to the data;
- 320 (2) At the controller's direction, delete or return all personal information to the controller
- 321 as requested at the end of the provision of services, unless retention of the personal
- information is required by law;
- 323 (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
- 325 the obligations in this article;
- 326 (4) Allow, and cooperate with, reasonable assessments by the controller or the
- 327 controller's designated assessor; alternatively, the processor may arrange for a qualified
- and independent assessor to conduct an assessment of the processor's policies and

329 <u>technical and organizational measures in support of the obligations under this article</u>

- 330 <u>using an appropriate and accepted control standard or framework and assessment</u>
- procedure for the assessments. The processor shall provide a report of each assessment
- 332 to the controller upon request; and
- 333 (5) Engage a subcontractor pursuant to a written contract in that requires the
- 334 <u>subcontractor to meet the obligations of the processor with respect to the personal</u>
- information.
- 336 (c) Nothing in this Code section shall relieve a controller or a processor from the liabilities
- 337 imposed on it by virtue of its role in the processing relationship as described in
- 338 <u>subsection (b) of this Code section.</u>
- 339 (d) Determining whether a person is acting as a controller or processor with respect to a
- 340 specific processing of data is a fact based determination that depends upon the context in
- 341 which personal information is to be processed. A processor that continues to adhere to a
- 342 controller's instructions with respect to a specific processing of personal information
- remains a processor.
- 344 <u>10-1-966.</u>
- 345 (a) A controller shall conduct and document a data protection assessment of each of the
- 346 following processing activities involving personal information:
- 347 (1) The processing of personal information for purposes of targeted advertising;
- 348 (2) The sale of personal information;
- 349 (3) The processing of personal information for purposes of profiling, where the profiling
- presents a reasonably foreseeable risk of:
- 351 (A) Unfair or deceptive treatment of, or unlawful disparate impact on, consumers;
- 352 (B) Financial, physical, or reputational injury to consumers;

353 (C) A physical or other intrusion upon the solitude or seclusion, or the private affairs 354 or concerns, of consumers, where the intrusion would be offensive to a reasonable 355 person; or 356 (D) Other substantial injury to consumers; (4) The processing of sensitive data; and 357 (5) Processing activities involving personal information that present a heightened risk 358 359 of harm to consumers. (b) Data protection assessments conducted pursuant to subsection (a) of this Code section 360 361 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 362 363 potential risks to the rights of the consumer associated with the processing, as mitigated by safeguards that can be employed by the controller to reduce the risks. The use of 364 de-identified data and the reasonable expectations of consumers, as well as the context of 365 366 the processing and the relationship between the controller and the consumer whose 367 personal information will be processed, shall be factored into this assessment by the 368 controller. 369 (c) The Attorney General may request pursuant to a civil investigative demand that a 370 controller disclose a data protection assessment that is relevant to an investigation 371 conducted by the Attorney General, and the controller shall make the data protection 372 assessment available to the Attorney General. The Attorney General shall evaluate the data 373 protection assessment for compliance with the responsibilities set forth in Code 374 Section 10-1-964. The disclosure of a data protection assessment pursuant to a request 375 from the Attorney General shall not constitute a waiver of attorney-client privilege or work product protection with respect to the assessment and information contained in the 376 377 assessment. Such data protection assessments shall be confidential and shall not be open to public inspection and copying under Article 4 of Chapter 18 of Title 50, relating to open 378 379 records.

380 (d) A single data protection assessment may address a comparable set of processing

- 381 operations that include similar activities.
- 382 (e) A data protection assessment conducted by a controller for the purpose of compliance
- with other laws, rules, or regulations may comply with this Code section if such data
- 384 protection assessment have a reasonably comparable scope and effect.
- 385 (f) The data protection assessment requirements in this article shall apply only to
- processing activities created or generated on or after July 1, 2026.
- 387 <u>10-1-967.</u>
- 388 (a) A controller in possession of de-identified data shall:
- 389 (1) Take reasonable measures to ensure that the data cannot be associated with a natural
- 390 person;
- 391 (2) Publicly commit to maintaining and using de-identified data without attempting to
- reidentify the data; and
- 393 (3) Contractually obligate recipients of the de-identified data to comply with this article.
- 394 (b) Nothing in this Code section shall require a controller or processor to:
- 395 (1) Reidentify de-identified data or pseudonymous data;
- 396 (2) Maintain data in identifiable form, or collect, obtain, retain, or access data or
- 397 <u>technology</u>, in order to be capable of associating an authenticated consumer request with
- 398 personal information; or
- 399 (3) Comply with an authenticated consumer rights request, pursuant to Code
- 400 <u>Section 10-1-963, if:</u>
- 401 (A) The controller is not reasonably capable of associating the request with the
- personal information or it would be unreasonably burdensome for the controller to
- 403 <u>associate the request with the personal information;</u>
- 404 (B) The controller does not use the personal information to recognize or respond to the
- specific consumer who is the subject of the personal information, or associate the

personal information with other personal information about the same specific

- 407 consumer; and
- 408 (C) The controller does not sell the personal information to a third party or otherwise
- 409 <u>voluntarily disclose the personal information to a third party other than a processor,</u>
- 410 <u>except as otherwise permitted in this Code section.</u>
- 411 (c) The consumer rights described in Code Sections 10-1-963 and 10-1-964 shall not apply
- 412 to pseudonymous data in cases where the controller is able to demonstrate information
- 413 necessary to identify the consumer is kept separately and is subject to effective technical
- 414 and organizational controls that prevent the controller from accessing that information.
- 415 (d) A controller that discloses pseudonymous data or de-identified data shall exercise
- reasonable oversight to monitor compliance with contractual commitments to which the
- 417 <u>pseudonymous data or de-identified data is subject and shall take appropriate steps to</u>
- 418 address breaches of those contractual commitments.
- 419 10-1-968.
- 420 (a) Nothing in this article shall restrict a controller's or processor's ability to:
- 421 (1) Comply with federal, state, or local laws, rules, or regulations;
- 422 (2) Comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or
- 423 <u>summons by federal, state, local, or other governmental authorities;</u>
- 424 (3) Cooperate with law enforcement agencies concerning conduct or activity that the
- 425 <u>controller or processor reasonably and in good faith believes may violate federal, state,</u>
- 426 <u>or local laws, rules, or regulations;</u>
- 427 (4) Investigate, establish, exercise, prepare for, or defend legal claims;
- 428 (5) Provide a product or service specifically requested by a consumer or the parent or
- legal guardian of a known child, perform a contract to which the consumer is a party,
- 430 <u>including fulfilling the terms of a written warranty, or take steps at the request of the</u>
- 431 consumer prior to entering into a contract;

432 (6) 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
- 434 <u>manifestly based on another legal basis;</u>
- 435 (7) Prevent, detect, protect against, or respond to security incidents, identity theft, fraud,
- harassment, malicious or deceptive activity, or illegal activity; preserve the integrity or
- security of systems; or investigate, report, or prosecute those responsible for such action;
- 438 (8) Engage in public reviewed or peer reviewed scientific or statistical research in the
- public interest that adheres to all other applicable ethics and privacy laws and is
- 440 approved, monitored, and governed by an institutional review board, or similar
- independent oversight entity that determines whether:
- (A) Deletion of the information is likely to provide substantial benefits that do not
- 443 <u>exclusively accrue to the controller;</u>
- (B) The expected benefits of the research outweigh the privacy risks; and
- 445 (C) The controller has implemented reasonable safeguards to mitigate privacy risks
- associated with research, including risks associated with reidentification; or
- 447 (9) Assist another controller, processor, or third party with the obligations under this
- 448 article.
- 449 (b) The obligations imposed on controllers or processors under this article shall not restrict
- 450 <u>a controller's or processor's ability to collect, use, or retain data to:</u>
- 451 (1) Conduct internal research to develop, improve, or repair products, services, or
- 452 <u>technology</u>;
- 453 (2) Effectuate a product recall;
- 454 (3) Identify and repair technical errors that impair existing or intended functionality; or
- 455 (4) Perform internal operations that are reasonably aligned with the expectations of the
- 456 consumer or reasonably anticipated based on the consumer's existing relationship with
- 457 the controller or are otherwise compatible with processing data in furtherance of the

458 provision of a product or service specifically requested by a consumer or the performance 459 of a contract to which the consumer is a party. (c) The obligations imposed on controllers or processors under this article shall not apply 460 461 where compliance with this article by the controller or processor would violate an 462 evidentiary privilege under the laws of this state. Nothing in this article shall prevent a 463 controller or processor from providing personal information concerning a consumer to a person covered by an evidentiary privilege under the laws of this state as part of a 464 465 privileged communication. 466 (d)(1) A controller or processor that discloses personal information to a third-party controller or processor, in compliance with the requirements of this article, shall not be 467 468 in violation of this article if: (A) The third-party controller or processor that receives and processes the personal 469 information is in violation of this article; and 470 (B) At the time of disclosing the personal information, the disclosing controller or 471 processor did not have actual knowledge that the recipient intended to commit a 472 473 violation. 474 (2) A third-party controller or processor receiving personal information from a controller 475 or processor in compliance with the requirements of this article is likewise not in 476 violation of this article for the violations of the controller or processor from which it 477 receives such personal information. 478 (e) This article shall not impose an obligation on controllers and processors that adversely 479 affects the rights or freedoms of a person, such as exercising the right of free speech 480 pursuant to the First Amendment to the United States Constitution, or that applies to the processing of personal information by a person in the course of a purely personal activity. 481 482 (f) A controller shall not process personal information for purposes other than those 483 expressly listed in this Code section unless otherwise allowed by this article. Personal

information processed by a controller pursuant to this Code section may be processed to

- 485 the extent that the processing is:
- 486 (1) Reasonably necessary and proportionate to the purposes listed in this section; and
- 487 (2) Adequate, relevant, and limited to what is necessary in relation to the specific
- purposes listed in this section. Personal information collected, used, or retained pursuant
- 489 <u>to subsection (b) of this Code section shall, where applicable, take into account the nature</u>
- and purpose or purposes of the collection, use, or retention. The data shall be subject to
- 491 reasonable administrative, technical, and physical measures to protect the confidentiality,
- integrity, and accessibility of the personal information and to reduce reasonably
- foreseeable risks of harm to consumers relating to the collection, use, or retention of
- 494 personal information.
- 495 (g) If a controller processes personal information pursuant to an exemption in this Code
- 496 section, then the controller bears the burden of demonstrating that the processing qualifies
- 497 for the exemption and complies with subsection (f) of this Code section.
- 498 (h) Processing personal information for the purposes expressly identified in any of the
- 499 paragraphs (1) through (9) of subsection of (a) of this Code section shall not solely make
- an entity a controller with respect to the processing.
- 501 <u>10-1-969.</u>
- Nothing in this article shall be construed to conflict with the specific requirements:
- 503 (1) Related to the management of health records under Title 31; or
- 504 (2) Mandated by any provision of federal law.
- 505 <u>10-1-970.</u>
- 506 (a) A provision of a contract or agreement that waives or limits a consumer's rights or
- 507 <u>cause of actionunder this article, including, but not limited to, a right to a remedy or means</u>
- of enforcement, is contrary to public policy, void, and unenforceable.

509 (b) Nothing in this article shall prevent a consumer from declining to request information

- from a controller, declining to opt out of a controller's sale of the consumer's personal
- 511 <u>information, or authorizing a controller to sell the consumer's personal information after</u>
- 512 previously opting out.
- 513 (c) This article shall apply to contracts entered into, amended, or renewed on or after
- 514 <u>July 1, 2026.</u>
- 515 10-1-971.
- 516 If the Attorney General has reasonable cause to believe that an individual, controller, or
- 517 processor has engaged in, is engaging in, or is about to engage in a violation of this article,
- 518 then the Attorney General may issue a civil investigative demand.
- 519 <u>10-1-972.</u>
- 520 (a) The Attorney General may develop reasonable cause to believe that a controller or
- 521 processor is in violation of this article, based on the Attorney General's own inquiry or on
- 522 consumer or public complaints. Prior to initiating an action under this article, the Attorney
- 523 General shall provide a controller or processor 60 days' written notice identifying the
- 524 specific provisions of this article the Attorney General alleges have been or are being
- violated. If within the 60 day period, the controller or processor cures the noticed violation
- 526 and provides the Attorney General an express written statement that the alleged violations
- have been cured and that no such further violations shall occur, then the Attorney General
- 528 <u>shall not initiate an action against the controller or processor.</u>
- 529 (b) If a controller or processor continues to violate this article following the cure period
- 530 provided for in subsection (a) of this Code section or breaches an express written statement
- 531 provided to the Attorney General under subsection (a) of this Code section, then the
- 532 Attorney General may bring an action in a court of competent jurisdiction seeking any of
- 533 <u>the following relief:</u>

- 534 (1) Declaratory judgment that the act or practice violates this article;
- 535 (2) Injunctive relief, including preliminary and permanent injunctions, to prevent an
- additional violation of and compel compliance with this article;
- 537 (3) Civil penalties, as described in subsection (c) of this Code section;
- 538 (4) Reasonable attorney's fees and investigative costs; or
- 539 (5) Other relief the court determines appropriate.
- 540 (c)(1) A court may impose a civil penalty of up to \$7,500.00 for each violation of this
- 541 <u>article.</u>
- 542 (2) If the court finds the controller or processor willfully or knowingly violated this
- 543 article, then the court may, in its discretion, award treble damages.
- 544 (d) The Attorney General may recover reasonable expenses incurred in investigating and
- 545 preparing a case, including attorney's fees, in an action initiated under this article.
- 546 <u>10-1-973.</u>
- 547 (a) A controller or processor shall have an affirmative defense to a cause of action for a
- violation of this article if the controller or processor creates, maintains, and complies with
- 549 <u>a written privacy policy that:</u>
- 550 (1)(A) Reasonably conforms to the NIST procedures designed to safeguard consumer
- 551 privacy; and
- (B) Is updated to reasonably conform with a subsequent revision to the NIST within
- 553 two years of the publication date stated in the most recent revision to the NIST; and
- 554 (2) Provides a person with the substantive rights required by this article.
- 555 (b) The scale and scope of a controller or processor's privacy program under subsection (a)
- of this Code section shall be appropriate if it is based on all of the following factors:
- 557 (1) The size and complexity of the controller or processor's business;
- 558 (2) The nature and scope of the activities of the controller or processor;
- 559 (3) The sensitivity of the personal information processed;

560 (4) The cost and availability of tools to improve privacy protections and data

- governance; and
- 562 (5) Compliance with a comparable state or federal law.
- 563 10-1-974.
- 564 (a) A municipality, county, or consolidated government shall not require a controller or
- processor to disclose personal data of consumers, unless pursuant to a subpoena or court
- order.
- 567 (b) This article shall supersede and preempt any conflicting provisions of any ordinances,
- resolutions, regulations, or the equivalent adopted by any municipality, county, or
- 569 consolidated government regarding the processing of personal data by controllers or
- 570 processors."
- **SECTION 2.**
- 572 This Act shall become effective on July 1, 2026.
- **SECTION 3.**
- 574 All laws and parts of laws in conflict with this Act are repealed.