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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2642

05/04/2017 Authored by Thissen and Metsa
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to telecommunications; requiring telecommunications and Internet service
1.3 providers to reimburse consumers for distributing consumer information obtained
1.4 from the Internet; requiring the Public Utilities Commission to establish the level
1.5 of reimbursement for distributing consumer information obtained from the Internet;
1.6 proposing coding for new law in Minnesota Statutes, chapter 237.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. 237.417 CONSUMER INFORMATION; REIMBURSEMENT.

1.9 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.10 the meanings given them.

1.11 (b) "Consumer" means an individual who, in the course of accessing the Internet,
1.12 knowingly or unknowingly provides consumer information to a covered entity or Internet
1.13 service provider with or without an exchange of consideration.

1.14 (c) "Consumer information" means information obtained from a consumer that has a
1.15 value to an Internet service provider, a telecommunications provider, or a covered entity,
1.16 and that identifies:

1.17 (1) a consumer, the consumer's spouse, or the consumer's children by physical or
1.18 electronic address, name, date of birth, Social Security number, or telephone number;

1.19 (2) a consumer's occupation, credit history, financial account information, medical
1.20 history, political party affiliation, or disability or other status protected under chapter 363A;

1.21 (3) a consumer as having requested or obtained specific materials or services from an
1.22 Internet service provider;

2.1 (4) a consumer's Internet sites or browsing cache, cookies, or history, including the
 2.2 content on an Internet site viewed by a consumer;

2.3 (5) any of the contents of a consumer's data storage devices or the Internet protocol
 2.4 address associated with an electronic device that belongs to the consumer; or

2.5 (6) a consumer, the consumer's spouse, or the consumer's children by aggregating any
 2.6 information in clauses (1) to (5) to create a profile of that person. Consumer information
 2.7 includes information that may be disseminated in personally identifiable, aggregated, or
 2.8 disaggregated forms.

2.9 (d) "Covered entity" means an entity, including a search engine service, social media,
 2.10 or other Web-based application, that uses the Internet to collect consumer information from
 2.11 a consumer.

2.12 (e) "Internet service provider" means a person who provides access to the Internet.

2.13 (f) "Telecommunications service provider" has the meaning given in section 237.01,
 2.14 subdivision 6b.

2.15 **Subd. 2. Service provider; reimbursement for value of consumer information.**

2.16 Beginning January 1, 2019, a telecommunications service provider, Internet service provider,
 2.17 or covered entity must reimburse a consumer if it (1) sells, shares, or otherwise distributes
 2.18 for value consumer information from a consumer, or (2) uses consumer information for
 2.19 direct advertising or other similar purposes. The consumer must be reimbursed at the value
 2.20 of consumer information reimbursement rate established under subdivision 3.

2.21 **Subd. 3. Value of consumer information reimbursement rate.** By July 1, 2018, the
 2.22 commission must establish a value of consumer information reimbursement rate. In setting
 2.23 the rate, the commission must consider the value resulting from the consumer information
 2.24 being gathered, processed, packaged, and then sold or distributed by the telecommunications
 2.25 service provider, Internet service provider, or covered entity. In setting the value, the
 2.26 commission may consult with experts, consumers, and other interested parties, and may
 2.27 gather information from telecommunications service providers, Internet service providers,
 2.28 and other covered entities related to the value of the consumer information gathered from
 2.29 Minnesota consumers, including information regarding the cost of gathering the information,
 2.30 processing the information, and selling, sharing, otherwise distributing the information for
 2.31 value or consideration to third parties, and the gross and net profits from advertising based
 2.32 on the consumer information. The value may vary based on the amount and type of consumer
 2.33 information obtained by a telecommunications service provider, Internet service provider,
 2.34 or covered entity. A telecommunications service provider, Internet service provider, or

- 3.1 covered entity that conducts business in Minnesota or with any Minnesota resident must
- 3.2 provide information requested by the commission to assist in establishing the rate required
- 3.3 under this subdivision.
- 3.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.