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4lr1200 CF HB 567

## By: Senators Gile, Hester, Augustine, Feldman, Beidle, and Ellis Introduced and read first time: January 24, 2024 Assigned to: Finance

## A BILL ENTITLED

1 AN ACT concerning

### 2

## Maryland Online Data Privacy Act of 2024

3 FOR the purpose of regulating the manner in which a controller or a processor in possession 4 of a consumer's personal data may process the consumer's personal data; authorizing  $\mathbf{5}$ a consumer to exercise certain rights in regards to the consumer's personal data; 6 requiring a controller of personal data to establish a method for a consumer to 7 exercise certain rights in regards to the consumer's personal data; requiring a 8 controller to comply with a request by a consumer to exercise a certain right in a 9 certain manner, except under certain circumstances; authorizing a consumer to 10 designate an authorized agent to act on the consumer's behalf to opt out of the 11 processing of the consumer's personal data; requiring a controller to provide a 12consumer with a certain privacy notice; requiring a controller that uses a processor 13 to process the personal data of consumers to enter into a contract with the processor 14that governs the processor's data processing procedures; requiring a controller to 15conduct and document a data protection assessment for consumer data processing 16 activities that present a heightened risk of harm to a consumer; making a violation 17of this Act an unfair, abusive, or deceptive trade practice that is subject to enforcement and penalties under the Maryland Consumer Protection Act; and 1819generally relating to online data privacy.

- 20 BY repealing and reenacting, with amendments,
- 21 Article Commercial Law
- 22 Section 13–301(14)(xl)
- 23 Annotated Code of Maryland
- 24 (2013 Replacement Volume and 2023 Supplement)
- 25 BY repealing and reenacting, without amendments,
- 26 Article Commercial Law
- 27 Section 13–301(14)(xli)
- 28 Annotated Code of Maryland
- 29 (2013 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



$egin{array}{c} 1 \\ 2 \\ 3 \\ 4 \\ 5 \\ 6 \end{array}$	BY adding to Article – Commercial Law Section 13–301(14)(xlii); and 14–4601 through 14–4613 to be under the new subtitle "Subtitle 46. Online Data Privacy Act" Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement)
7 8	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
9	Article – Commercial Law
10	13–301.
11	Unfair, abusive, or deceptive trade practices include any:
12	(14) Violation of a provision of:
13	(xl) Title 14, Subtitle 13 of the Public Safety Article; [or]
14	(xli) Title 14, Subtitle 45 of this article; or
15	(XLII) TITLE 14, SUBTITLE 46 OF THIS ARTICLE; OR
16	SUBTITLE 46. ONLINE DATA PRIVACY ACT.
17	14-4601.
18 19	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
20	(B) "AFFILIATE" MEANS A PERSON THAT:
21	(1) SHARES COMMON BRANDING WITH ANOTHER PERSON; OR
$\frac{22}{23}$	(2) CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH ANOTHER PERSON.
$24 \\ 25 \\ 26$	(C) "AUTHENTICATE" MEANS TO USE REASONABLE MEANS TO DETERMINE THAT A REQUEST TO EXERCISE A CONSUMER RIGHT IN ACCORDANCE WITH § 14-4605 OF THIS SUBTITLE IS BEING MADE BY, OR ON BEHALF OF A CONSUMER WHO IS

25 THAT A REQUEST TO EXERCISE A CONSUMER RIGHT IN ACCORDANCE WITH § 14-4005
26 OF THIS SUBTITLE IS BEING MADE BY, OR ON BEHALF OF, A CONSUMER WHO IS
27 ENTITLED TO EXERCISE THE CONSUMER RIGHT WITH RESPECT TO THE PERSONAL
28 DATA AT ISSUE.

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1 (D) (1) "BIOMETRIC DATA" MEANS DATA GENERATED BY AUTOMATIC 2 MEASUREMENTS OF THE BIOLOGICAL CHARACTERISTICS OF A CONSUMER THAT CAN 3 BE USED TO UNIQUELY AUTHENTICATE A CONSUMER'S IDENTITY.

4	(2) "BIOMETRIC DATA" INCLUDES:
5	(I) A FINGERPRINT;
6	(II) A VOICE PRINT;
7	(III) AN EYE RETINA OR IRIS IMAGE; AND
8 9	(IV) ANY OTHER UNIQUE BIOLOGICAL CHARACTERISTICS THAT CAN BE USED TO UNIQUELY AUTHENTICATE A CONSUMER'S IDENTITY.
10	(3) "BIOMETRIC DATA" DOES NOT INCLUDE:
11	(I) A DIGITAL OR PHYSICAL PHOTOGRAPH;
12	(II) AN AUDIO OR VIDEO RECORDING; OR
$\begin{array}{c} 13\\14\\15\end{array}$	(III) ANY DATA GENERATED FROM A DIGITAL OR PHYSICAL PHOTOGRAPH OR AN AUDIO OR VIDEO RECORDING, UNLESS THE DATA IS GENERATED TO IDENTIFY A SPECIFIC CONSUMER.
16	(E) "BUSINESS ASSOCIATE" HAS THE MEANING STATED IN HIPAA.
17	(F) "CHILD" HAS THE MEANING STATED IN COPPA.
18 19 20 21	(G) (1) "CONSENT" MEANS A CLEAR AFFIRMATIVE ACT SIGNIFYING A CONSUMER'S FREELY GIVEN, SPECIFIC, INFORMED, AND UNAMBIGUOUS AGREEMENT TO ALLOW THE PROCESSING OF PERSONAL DATA RELATING TO THE CONSUMER FOR A PARTICULAR PURPOSE.
22	(2) "CONSENT" INCLUDES:
23	(I) A WRITTEN STATEMENT;
24	(II) A WRITTEN STATEMENT BY ELECTRONIC MEANS; OR
25	(III) ANY OTHER UNAMBIGUOUS AFFIRMATIVE ACTION.
26	(3) "CONSENT" DOES NOT INCLUDE:

1(I)ACCEPTANCE OF A GENERAL OR BROAD TERMS OF USE OR2SIMILAR DOCUMENT THAT CONTAINS DESCRIPTIONS OF PERSONAL DATA3PROCESSING ALONG WITH OTHER UNRELATED INFORMATION;

4 (II) HOVERING OVER, MUTING, PAUSING, OR CLOSING A PIECE 5 OF CONTENT; OR

6 (III) AGREEMENT OBTAINED THROUGH THE USE OF DARK 7 PATTERNS.

8 (H) (1) "CONSUMER" MEANS AN INDIVIDUAL WHO IS A RESIDENT OF THE 9 STATE.

10 (2) "CONSUMER" DOES NOT INCLUDE:

11(I) AN INDIVIDUAL ACTING IN A COMMERCIAL OR12EMPLOYMENT CONTEXT; OR

13(II) AN INDIVIDUAL ACTING AS AN EMPLOYEE, AN OWNER, A 14DIRECTOR, AN OFFICER, OR A CONTRACTOR OF A COMPANY, A PARTNERSHIP, A SOLE PROPRIETORSHIP, A NONPROFIT ORGANIZATION, OR A GOVERNMENTAL UNIT 15WHOSE COMMUNICATIONS OR TRANSACTIONS WITH A CONTROLLER OCCUR ONLY 16 WITHIN THE CONTEXT OF THE INDIVIDUAL'S ROLE WITH THE COMPANY, 17SOLE PROPRIETORSHIP, NONPROFIT 18 PARTNERSHIP, ORGANIZATION, OR **GOVERNMENTAL UNIT.** 19

20 (I) (1) "CONSUMER HEALTH DATA" MEANS PERSONAL DATA THAT A 21 CONTROLLER USES TO IDENTIFY A CONSUMER'S PHYSICAL OR MENTAL HEALTH 22 STATUS.

23 (2) "CONSUMER HEALTH DATA" INCLUDES DATA RELATED TO:

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(I) **GENDER-AFFIRMING CARE; OR** 

25 (II) **REPRODUCTIVE OR SEXUAL HEALTH CARE.** 

26 (J) "CONTROL" MEANS:

27(1)OWNERSHIP OF OR THE POWER TO VOTE MORE THAN 50% OF THE28OUTSTANDING SHARES OF ANY CLASS OF VOTING SECURITY OF A BUSINESS;

1 (2) ANY MANNER OF CONTROL OVER THE ELECTION OF A MAJORITY 2 OF THE DIRECTORS OF A BUSINESS, OR INDIVIDUALS EXERCISING SIMILAR 3 FUNCTIONS; OR

4 (3) THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE 5 MANAGEMENT OF A BUSINESS.

6 (K) "CONTROLLER" MEANS A PERSON THAT, ALONE OR JOINTLY WITH 7 OTHERS, DETERMINES THE PURPOSE AND MEANS OF PROCESSING PERSONAL DATA.

8 (L) (1) "COPPA" MEANS THE FEDERAL CHILDREN'S ONLINE PRIVACY 9 PROTECTION ACT OF 1998.

10 (2) "COPPA" INCLUDES REGULATIONS ADOPTED UNDER THE 11 FEDERAL CHILDREN'S ONLINE PRIVACY PROTECTION ACT OF 1998.

12 (M) "COVERED ENTITY" HAS THE MEANING STATED IN HIPAA.

(N) (1) "DARK PATTERN" MEANS A USER INTERFACE DESIGNED OR
 MANIPULATED WITH THE SUBSTANTIAL EFFECT OF SUBVERTING USER AUTONOMY,
 DECISION MAKING, OR CHOICE.

16 (2) "DARK PATTERN" INCLUDES ANY PRACTICE THE FEDERAL 17 TRADE COMMISSION REFERS TO AS A "DARK PATTERN".

18 **(O) "DECISIONS THAT PRODUCE LEGAL OR SIMILARLY SIGNIFICANT** 19 EFFECTS CONCERNING THE CONSUMER" MEANS DECISIONS THAT RESULT IN THE 20 PROVISION OR DENIAL OF:

- 21 (1) FINANCIAL OR LENDING SERVICES;
- 22 (2) HOUSING;
- 23 (3) INSURANCE;
- 24 (4) EDUCATION ENROLLMENT OR OPPORTUNITY;
- 25 **(5)** CRIMINAL JUSTICE;
- 26 (6) EMPLOYMENT OPPORTUNITIES;
- 27 (7) HEALTH CARE SERVICES; OR

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(8) ACCESS TO ESSENTIAL GOODS OR SERVICES.

2 (P) "DE-IDENTIFIED DATA" MEANS DATA THAT CANNOT REASONABLY BE 3 USED TO INFER INFORMATION ABOUT OR OTHERWISE BE LINKED TO AN IDENTIFIED 4 OR IDENTIFIABLE CONSUMER, OR A DEVICE THAT MAY BE LINKED TO AN IDENTIFIED 5 OR IDENTIFIABLE CONSUMER, IF THE CONTROLLER THAT POSSESSES THAT 6 INFORMATION:

7 (1) TAKES REASONABLE MEASURES TO ENSURE THAT THE 8 INFORMATION CANNOT BE LINKED WITH A CONSUMER;

9 (2) COMMITS IN PUBLICLY AVAILABLE TERMS AND CONDITIONS OR IN 10 A PUBLICLY AVAILABLE PRIVACY POLICY TO MAINTAIN AND USE THE INFORMATION 11 IN DE-IDENTIFIED FORM; AND

12(3) CONTRACTUALLY OBLIGES ANY RECIPIENTS OF THE13INFORMATION TO COMPLY WITH ALL PROVISIONS OF THIS SUBSECTION.

14 (Q) (1) "GENETIC DATA" MEANS DATA IN ANY FORMAT THAT CONCERNS 15 THE GENETIC CHARACTERISTICS OF A CONSUMER.

16 (2) "GENETIC DATA" INCLUDES:

(I) RAW SEQUENCE DATA THAT RESULTS FROM SEQUENCING
 OF A CONSUMER'S COMPLETE EXTRACTED DNA OR A PORTION OF THE CONSUMER'S
 COMPLETE EXTRACTED DNA;

- 20 (II) GENOTYPIC AND PHENOTYPIC INFORMATION THAT 21 RESULTS FROM ANALYZING RAW SEQUENCE DATA;
- 22 (III) INFORMATION EXTRAPOLATED, DERIVED, OR INFERRED 23 FROM THE ANALYSIS OF RAW SEQUENCE DATA; AND
- (IV) SELF-REPORTED HEALTH INFORMATION SUBMITTED TO A
   DIRECT-TO-CONSUMER GENETIC TESTING COMPANY BY A CONSUMER REGARDING
   THE CONSUMER'S HEALTH CONDITIONS:
- 271. THAT IS USED FOR SCIENTIFIC RESEARCH OR28PRODUCT DEVELOPMENT; AND
- 292.ANALYZED IN CONNECTION WITH THE CONSUMER'S30RAW SEQUENCE DATA.

1 (R) (1) "GEOFENCE" MEANS TECHNOLOGY THAT ESTABLISHES A 2 VIRTUAL GEOGRAPHICAL BOUNDARY.

3 (2) "GEOFENCE" INCLUDES BOUNDARIES THAT ARE ESTABLISHED 4 OR MONITORED THROUGH THE USE OF:

 $\mathbf{5}$ **(I) GLOBAL POSITIONING TECHNOLOGY;** 6 **(II) CELL TOWER CONNECTIVITY;** (III) CELLULAR DATA; 7 8 (IV) **RADIO FREQUENCY IDENTIFICATION;** 9 (V) WIRELESS FIDELITY TECHNOLOGY; OR 10 (VI) ANY OTHER FORM OF LOCATION DETERMINATION 11 **TECHNOLOGY.** 

12 (S) "HIPAA" MEANS THE FEDERAL HEALTH INSURANCE PORTABILITY 13 AND ACCOUNTABILITY ACT OF 1996.

14 **(T) "IDENTIFIED OR IDENTIFIABLE CONSUMER" MEANS A CONSUMER WHO** 15 **CAN READILY BE IDENTIFIED, EITHER DIRECTLY OR INDIRECTLY.** 

16 (U) "MENTAL HEALTH FACILITY" MEANS A HEALTH CARE FACILITY IN 17 WHICH NOT LESS THAN 70% OF HEALTH CARE SERVICES OFFERED ARE MENTAL 18 HEALTH SERVICES.

19 (V) (1) "PERSONAL DATA" MEANS ANY INFORMATION THAT IS LINKED OR 20 CAN BE REASONABLY LINKED TO AN IDENTIFIED OR IDENTIFIABLE CONSUMER.

- 21 (2) "PERSONAL DATA" DOES NOT INCLUDE:
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- I ERSONAL DATA DOES NOT INCLUD
- 2 (I) **DE-IDENTIFIED DATA; OR**
- 23 (II) **PUBLICLY AVAILABLE INFORMATION.**

(W) (1) "PRECISE GEOLOCATION DATA" MEANS INFORMATION DERIVED
 FROM TECHNOLOGY THAT CAN PRECISELY AND ACCURATELY IDENTIFY THE
 SPECIFIC LOCATION OF A CONSUMER WITHIN A RADIUS OF 1,750 FEET.

1 (2) "PRECISE GEOLOCATION DATA" INCLUDES GLOBAL POSITIONING 2 SYSTEM LEVEL LATITUDE AND LONGITUDE COORDINATES OR OTHER SIMILAR 3 MECHANISMS.

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(3) "PRECISE GEOLOCATION DATA" DOES NOT INCLUDE:

5 (I) THE CONTENT OF COMMUNICATIONS DATA GENERATED BY
6 OR CONNECTED TO AN ADVANCED UTILITY METERING INFRASTRUCTURE SYSTEM;
7 OR

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(II) EQUIPMENT USED BY A UTILITY COMPANY.

9 (X) (1) "PROCESS" MEANS AN OPERATION OR SET OF OPERATIONS 10 PERFORMED BY MANUAL OR AUTOMATED MEANS ON PERSONAL DATA.

11 (2) "PROCESS" INCLUDES COLLECTING, USING, STORING, 12 DISCLOSING, ANALYZING, DELETING, OR MODIFYING PERSONAL DATA.

13(Y) "PROCESSOR" MEANS A PERSON THAT PROCESSES PERSONAL DATA ON14BEHALF OF A CONTROLLER.

15 (Z) "PROFILING" MEANS ANY FORM OF AUTOMATED PROCESSING 16 PERFORMED ON PERSONAL DATA TO EVALUATE, ANALYZE, OR PREDICT PERSONAL 17 ASPECTS RELATED TO AN IDENTIFIED OR IDENTIFIABLE CONSUMER'S ECONOMIC 18 SITUATION, HEALTH, DEMOGRAPHIC CHARACTERISTICS, PERSONAL PREFERENCES, 19 INTERESTS, RELIABILITY, BEHAVIOR, LOCATION, OR MOVEMENTS.

20 (AA) "PROTECTED HEALTH INFORMATION" HAS THE MEANING STATED IN 21 HIPAA.

22 (BB) (1) "PUBLICLY AVAILABLE INFORMATION" MEANS INFORMATION 23 THAT:

24(I)Is lawfully made readily available to the general25PUBLIC THROUGH FEDERAL, STATE, OR LOCAL GOVERNMENT RECORDS; OR

26 (II) A CONTROLLER HAS A REASONABLE BASIS TO BELIEVE 27 THAT A CONSUMER HAS LAWFULLY MADE AVAILABLE TO THE GENERAL PUBLIC 28 THROUGH WIDELY DISTRIBUTED MEDIA.

29 (2) "PUBLICLY AVAILABLE INFORMATION" DOES NOT INCLUDE 30 BIOMETRIC DATA COLLECTED BY A BUSINESS ABOUT A CONSUMER WITHOUT THE 31 CONSUMER'S KNOWLEDGE.

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1 (CC) (1) "REPRODUCTIVE OR SEXUAL HEALTH CARE" MEANS CARE 2 RELATED TO A CONSUMER'S REPRODUCTIVE SYSTEM OR SEXUAL WELL-BEING.

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## (2) "REPRODUCTIVE OR SEXUAL HEALTH CARE" INCLUDES:

4 (I) A SERVICE OR PRODUCT PROVIDED RELATED TO AN 5 INDIVIDUAL HEALTH CONDITION, STATUS, DISEASE, DIAGNOSIS, TEST, OR 6 TREATMENT;

7 (II) A SOCIAL, PSYCHOLOGICAL, BEHAVIORAL, OR MEDICAL 8 INTERVENTION;

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(III) A SURGERY OR PROCEDURE;

10 (IV) THE PURCHASE OR USE OF A MEDICATION;

(V) A SERVICE OR PRODUCT RELATED TO A BODILY FUNCTION,
 VITAL SIGN, OR MEASUREMENT THEREOF;

- 13 (VI) AN ABORTION, WHETHER SURGICAL OR MEDICAL; AND
- 14 (VII) A SERVICE RELATED TO AN ABORTION.

15 (DD) "REPRODUCTIVE OR SEXUAL HEALTH CARE FACILITY" MEANS A 16 HEALTH CARE FACILITY WHERE NOT LESS THAN 70% OF SERVICES OFFERED ARE 17 REPRODUCTIVE OR SEXUAL HEALTH CARE SERVICES.

18 (EE) (1) "SALE OF PERSONAL DATA" MEANS THE EXCHANGE OF PERSONAL 19 DATA BY A CONTROLLER TO A THIRD PARTY FOR MONETARY OR OTHER VALUABLE 20 CONSIDERATION.

21 (2) "SALE OF PERSONAL DATA" DOES NOT INCLUDE:

(I) THE DISCLOSURE OF PERSONAL DATA TO A PROCESSOR
 THAT PROCESSES PERSONAL DATA ON BEHALF OF A CONTROLLER IF LIMITED TO
 THE PURPOSES OF THE PROCESSING;

25 (II) THE DISCLOSURE OF PERSONAL DATA TO A THIRD PARTY 26 FOR PURPOSES OF PROVIDING A PRODUCT OR SERVICE AFFIRMATIVELY 27 REQUESTED BY THE CONSUMER;

1 (III) THE DISCLOSURE OR TRANSFER OF PERSONAL DATA TO AN  $\mathbf{2}$ AFFILIATE OF THE CONTROLLER FOR THE PURPOSE OF PROVIDING A PRODUCT OR 3 SERVICE AFFIRMATIVELY REQUESTED BY THE CONSUMER; 4 (IV) THE DISCLOSURE OF PERSONAL DATA WHERE THE  $\mathbf{5}$ **CONSUMER:** 6 1. DIRECTS THE CONTROLLER TO DISCLOSE THE 7 PERSONAL DATA; OR 2. 8 INTENTIONALLY USES THE CONTROLLER TO 9 **INTERACT WITH A THIRD PARTY; (**V**)** 10 THE DISCLOSURE OF PERSONAL DATA THAT THE 11 **CONSUMER:** 121. INTENTIONALLY MADE AVAILABLE TO THE GENERAL 13 PUBLIC THROUGH A CHANNEL OF MASS MEDIA; AND 2. 14**DID NOT RESTRICT TO A SPECIFIC AUDIENCE; OR** 15(VI) THE DISCLOSURE OR TRANSFER OF PERSONAL DATA TO A 16 THIRD PARTY AS AN ASSET THAT IS PART OF AN ACTUAL OR PROPOSED MERGER, ACQUISITION, BANKRUPTCY, OR OTHER TRANSACTION WHERE THE THIRD PARTY 17ASSUMES CONTROL OF ALL OR PART OF THE CONTROLLER'S ASSETS. 18 19 (FF) "SENSITIVE DATA" MEANS PERSONAL DATA THAT INCLUDES: 20(1) **DATA REVEALING:** 21**(I) RACIAL OR ETHNIC ORIGIN;** 22**(II) RELIGIOUS BELIEFS;** 23(III) CONSUMER HEALTH DATA; 24(IV) SEX LIFE; 25(V) **SEXUAL ORIENTATION;** 26(VI) STATUS AS TRANSGENDER OR NONBINARY; 27(VII) NATIONAL ORIGIN; OR

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1	(VIII) CITIZENSHIP OR IMMIGRATION STATUS;
2	(2) GENETIC DATA OR BIOMETRIC DATA;
3	(3) PERSONAL DATA OF A CONSUMER THAT THE CONTROLLER KNOWS
4	OR HAS REASON TO KNOW IS A CHILD; OR
5	(4) <b>PRECISE GEOLOCATION DATA.</b>
6	(GG) (1) "TARGETED ADVERTISING" MEANS DISPLAYING
$\overline{7}$	ADVERTISEMENTS TO A CONSUMER OR ON A DEVICE IDENTIFIED BY A UNIQUE
8	IDENTIFIER, WHERE THE ADVERTISEMENT IS SELECTED BASED ON PERSONAL DATA
9	OBTAINED OR INFERRED FROM THE CONSUMER'S ACTIVITIES OVER TIME AND
10	ACROSS WEBSITES OR ONLINE APPLICATIONS THAT ARE UNAFFILIATED WITH EACH
11	OTHER, IN ORDER TO PREDICT THE CONSUMER'S PREFERENCES OR INTERESTS.
12	(2) "TARGETED ADVERTISING" DOES NOT INCLUDE:
13	(I) ADVERTISEMENTS BASED ON THE CONTEXT IN WHICH THE
14	ADVERTISEMENT APPEARS AND DOES NOT VARY BASED ON WHO IS VIEWING THE
15	ADVERTISEMENT;
16	(II) ADVERTISEMENTS BASED ON A CONSUMER'S ACTIVITIES
17	WITHIN A CONTROLLER'S WEBSITES OR ONLINE APPLICATIONS;
18	(III) ADVERTISEMENTS DIRECTED TO A CONSUMER IN
19	RESPONSE TO THE CONSUMER'S REQUEST FOR INFORMATION OR FEEDBACK; OR
20	(IV) PROCESSING PERSONAL DATA SOLELY TO MEASURE OR
21	REPORT ADVERTISING FREQUENCY, PERFORMANCE, OR REACH.
22	(HH) "THIRD PARTY" MEANS A PERSON OTHER THAN THE RELEVANT
23	CONSUMER, CONTROLLER, PROCESSOR, OR AFFILIATE OF THE CONTROLLER OR
24	PROCESSOR OF RELEVANT PERSONAL DATA.
25	(II) (1) "TRADE SECRET" MEANS INFORMATION THAT:
26	(I) DERIVES INDEPENDENT ECONOMIC VALUE, ACTUAL OR
27	POTENTIAL, FROM NOT BEING GENERALLY KNOWN TO, AND NOT BEING READILY
28	ASCERTAINABLE BY PROPER MEANS BY, OTHER PERSONS WHO COULD OBTAIN
29	ECONOMIC VALUE FROM THE INFORMATION'S DISCLOSURE OR USE; AND

	12 SENATE BILL 541
$\frac{1}{2}$	(II) IS THE SUBJECT OF EFFORTS THAT ARE REASONABLE UNDER THE CIRCUMSTANCES TO MAINTAIN THE SECRECY OF THE INFORMATION.
$\frac{3}{4}$	(2) "TRADE SECRET" INCLUDES A FORMULA, PATTERN, COMPILATION, PROGRAM, DEVICE, METHOD, TECHNIQUE, OR PROCESS.
5	14-4602.
6	THIS SUBTITLE APPLIES TO A PERSON THAT:
7	(1) CONDUCTS BUSINESS IN THE STATE; OR
8 9	(2) (I) PRODUCES SERVICES OR PRODUCTS THAT ARE TARGETED TO RESIDENTS OF THE STATE; AND
10	(II) DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR:
11 12 13 14	1. CONTROLLED OR PROCESSED THE PERSONAL DATA OF AT LEAST 35,000 CONSUMERS, EXCLUDING PERSONAL DATA CONTROLLED OR PROCESSED SOLELY FOR THE PURPOSE OF COMPLETING A PAYMENT TRANSACTION; OR
$\begin{array}{c} 15\\ 16\\ 17\end{array}$	2. CONTROLLED OR PROCESSED THE PERSONAL DATA OF AT LEAST 10,000 CONSUMERS AND DERIVED MORE THAN 20% OF ITS GROSS REVENUE FROM THE SALE OF PERSONAL DATA.
18	14-4603.
19	(A) THIS SUBTITLE DOES NOT APPLY TO:
20 21 22 23	(1) A REGULATORY, ADMINISTRATIVE, ADVISORY, EXECUTIVE, APPOINTIVE, LEGISLATIVE, OR JUDICIAL BODY OF THE STATE, INCLUDING A BOARD, BUREAU, COMMISSION, OR UNIT OF THE STATE OR A POLITICAL SUBDIVISION OF THE STATE;
24 25 26 27	(2) A NATIONAL SECURITIES ASSOCIATION THAT IS REGISTERED UNDER § 15 OF THE FEDERAL SECURITIES EXCHANGE ACT OF 1934 OR A REGISTERED FUTURES ASSOCIATION DESIGNATED IN ACCORDANCE WITH § 17 OF THE FEDERAL COMMODITY EXCHANGE ACT; OR
$\frac{28}{29}$	(3) A FINANCIAL INSTITUTION OR AFFILIATE OF A FINANCIAL INSTITUTION THAT IS SUBJECT TO TITLE V OF THE FEDERAL

29 INSTITUTION THAT IS SUBJECT TO TITLE V OF THE FEDERAL 30 GRAMM-LEACH-BLILEY ACT AND REGULATIONS ADOPTED UNDER THAT ACT.

1 (B) THE FOLLOWING INFORMATION AND DATA ARE EXEMPT FROM THIS 2 SUBTITLE:

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(1) **PROTECTED HEALTH INFORMATION UNDER HIPAA;** 

4 (2) PATIENT-IDENTIFYING INFORMATION FOR PURPOSES OF 42 5 U.S.C. § 290DD-2;

6 (3) IDENTIFIABLE PRIVATE INFORMATION THAT IS USED FOR 7 PURPOSES OF THE FEDERAL POLICY FOR THE PROTECTION OF HUMAN SUBJECTS IN 8 ACCORDANCE WITH 45 C.F.R. § 46;

9 (4) IDENTIFIABLE PRIVATE INFORMATION TO THE EXTENT THAT IT IS 10 COLLECTED AND USED AS PART OF HUMAN SUBJECTS RESEARCH IN ACCORDANCE 11 WITH THE ICH 36 GOOD CLINICAL PRACTICE GUIDELINES ISSUED BY THE 12 INTERNATIONAL COUNCIL FOR HARMONISATION OF TECHNICAL REQUIREMENTS 13 FOR PHARMACEUTICALS FOR HUMAN USE OR THE PROTECTION OF HUMAN 14 SUBJECTS UNDER 21 C.F.R. §§ 50 AND 56;

15 (5) PATIENT SAFETY WORK PRODUCT THAT IS CREATED AND USED 16 FOR PURPOSES OF PATIENT SAFETY IMPROVEMENT IN ACCORDANCE WITH 42 17 C.F.R. § 3, ESTABLISHED IN ACCORDANCE WITH 42 U.S.C. §§ 299B–21 THROUGH 18 299B–26;

19 (6) INFORMATION TO THE EXTENT IT IS USED FOR PUBLIC HEALTH, 20 COMMUNITY HEALTH, OR POPULATION HEALTH ACTIVITIES AND PURPOSES, AS 21 AUTHORIZED BY HIPAA, WHEN PROVIDED BY OR TO A COVERED ENTITY OR WHEN 22 PROVIDED BY OR TO A BUSINESS ASSOCIATE IN ACCORDANCE WITH THE BUSINESS 23 ASSOCIATE AGREEMENT WITH A COVERED ENTITY;

24(7) THE COLLECTION, MAINTENANCE, DISCLOSURE, SALE, COMMUNICATION, OR USE OF PERSONAL INFORMATION BEARING ON A CONSUMER'S 2526CREDITWORTHINESS, CREDIT STANDING, CREDIT CAPACITY, CHARACTER, GENERAL REPUTATION, PERSONAL CHARACTERISTICS, OR MODE OF LIVING BY A CONSUMER 2728**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 2930 THE EXTENT THAT THE ACTIVITY IS REGULATED BY AND AUTHORIZED UNDER THE 31FEDERAL FAIR CREDIT REPORTING ACT;

32 (8) PERSONAL DATA COLLECTED, PROCESSED, SOLD, OR DISCLOSED 33 IN COMPLIANCE WITH THE FEDERAL DRIVER'S PRIVACY PROTECTION ACT OF 1994; 1 (9) PERSONAL DATA REGULATED BY THE FEDERAL FAMILY 2 EDUCATIONAL RIGHTS AND PRIVACY ACT;

- 3 (10) PERSONAL DATA COLLECTED, PROCESSED, SOLD, OR DISCLOSED
   4 IN COMPLIANCE WITH THE FEDERAL FARM CREDIT ACT;
- $\mathbf{5}$
- (11) DATA PROCESSED OR MAINTAINED:

6 (I) IN THE COURSE OF AN INDIVIDUAL APPLYING TO, 7 EMPLOYED BY, OR ACTING AS AN AGENT OR INDEPENDENT CONTRACTOR OF A 8 CONTROLLER, PROCESSOR, OR THIRD PARTY, TO THE EXTENT THAT THE DATA IS 9 COLLECTED AND USED WITHIN THE CONTEXT OF THE ROLE;

10(II) AS THE EMERGENCY CONTACT INFORMATION OF A11CONSUMER IF THE DATA IS USED FOR EMERGENCY CONTACT PURPOSES; OR

12 (III) **THAT IS:** 

131.NECESSARY TO RETAIN TO ADMINISTER BENEFITS14FOR ANOTHER INDIVIDUAL RELATING TO THE CONSUMER WHO IS THE SUBJECT OF15THE INFORMATION UNDER ITEM (I) OF THIS ITEM; AND

162.USED FOR THE PURPOSES OF ADMINISTERING THE17BENEFITS; AND

18 (12) PERSONAL DATA COLLECTED, PROCESSED, SOLD, OR DISCLOSED 19 IN RELATION TO PRICE, ROUTE, OR SERVICE BY AN AIR CARRIER SUBJECT TO THE 20 FEDERAL AIRLINE DEREGULATION ACT TO THE EXTENT THIS SUBTITLE IS 21 PREEMPTED BY THE FEDERAL AIRLINE DEREGULATION ACT.

(C) CONTROLLERS AND PROCESSORS THAT COMPLY WITH THE VERIFIABLE
 PARENTAL CONSENT REQUIREMENTS OF COPPA SHALL BE CONSIDERED
 COMPLIANT WITH AN OBLIGATION TO OBTAIN PARENTAL CONSENT IN ACCORDANCE
 WITH THIS SUBTITLE WITH RESPECT TO A CONSUMER WHO IS A CHILD.

- 26 **14-4604.**
- 27 **A PERSON MAY NOT:**

(1) PROVIDE AN EMPLOYEE OR A CONTRACTOR ACCESS TO
 CONSUMER HEALTH DATA UNLESS THE EMPLOYEE OR CONTRACTOR IS SUBJECT TO
 A CONTRACTUAL OR STATUTORY DUTY OF CONFIDENTIALITY;

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(2) **PROVIDE A PROCESSOR ACCESS TO CONSUMER HEALTH DATA**  $\mathbf{2}$ UNLESS THE PERSON PROVIDING ACCESS TO THE CONSUMER HEALTH DATA AND THE PROCESSOR COMPLY WITH § 14–4607 OF THIS SUBTITLE; (3) **USE A GEOFENCE:** TO IDENTIFY, TRACK, COLLECT DATA FROM, OR SEND A **(I)** 6 NOTIFICATION TO A CONSUMER REGARDING THE CONSUMER'S CONSUMER HEALTH 7 DATA; AND WITHIN 1,750 FEET OF A MENTAL HEALTH FACILITY OR (II) **REPRODUCTIVE OR SEXUAL HEALTH FACILITY; OR** 10 SELL OR OFFER TO SELL CONSUMER HEALTH DATA WITHOUT THE (4) CONSENT OF THE CONSUMER WHOSE HEALTH DATA IS TO BE SOLD OR OFFERED TO 12BE SOLD. 14-4605. 13 14(A) NOTHING IN THIS SECTION MAY BE CONSTRUED TO REQUIRE A CONTROLLER TO REVEAL A TRADE SECRET. **(B)** A CONSUMER SHALL HAVE THE RIGHT TO: (1) CONFIRM WHETHER A CONTROLLER IS PROCESSING THE CONSUMER'S PERSONAL DATA, UNLESS THAT CONFIRMATION WOULD REQUIRE THE 18 19 **DISCLOSURE OF A TRADE SECRET:** (2) IF A CONTROLLER IS PROCESSING A CONSUMER'S PERSONAL DATA, ACCESS THE CONSUMER'S PERSONAL DATA UNLESS THAT ACCESS WOULD **REQUIRE THE DISCLOSURE OF A TRADE SECRET;** 22CONSIDERING THE NATURE OF THE CONSUMER'S PERSONAL 23(3) 24DATA AND THE PURPOSES OF THE PROCESSING OF THE PERSONAL DATA, CORRECT 25INACCURACIES IN THE CONSUMER'S PERSONAL DATA; **REQUIRE A CONTROLLER TO DELETE PERSONAL DATA PROVIDED** (4) BY, OR OBTAINED ABOUT, THE CONSUMER; 28(5) IF THE PROCESSING OF PERSONAL DATA IS DONE BY AUTOMATIC 29MEANS, OBTAIN A COPY OF THE CONSUMER'S PERSONAL DATA PROCESSED BY THE 30 CONTROLLER IN A PORTABLE AND, TO THE EXTENT TECHNICALLY FEASIBLE,

# READILY USABLE FORMAT THAT ALLOWS THE CONSUMER TO EASILY TRANSMIT THE DATA TO ANOTHER CONTROLLER WITHOUT HINDRANCE;

3 (6) OBTAIN A LIST OF THE CATEGORIES OF THIRD PARTIES TO WHICH
4 THE CONTROLLER HAS DISCLOSED THE CONSUMER'S PERSONAL DATA OR A LIST OF
5 THE CATEGORIES OF THIRD PARTIES TO WHICH THE CONTROLLER HAS DISCLOSED
6 ANY CONSUMER'S PERSONAL DATA IF THE CONTROLLER DOES NOT MAINTAIN THIS
7 INFORMATION IN A FORMAT SPECIFIC TO THE CONSUMER; AND

- 8 (7) OPT OUT OF THE PROCESSING OF PERSONAL DATA FOR PURPOSES 9 OF:
- 10
- (I) TARGETED ADVERTISING;
- 11
- (II) THE SALE OF PERSONAL DATA; OR

12 (III) PROFILING IN FURTHERANCE OF SOLELY AUTOMATED 13 DECISIONS THAT PRODUCE LEGAL OR SIMILARLY SIGNIFICANT EFFECTS 14 CONCERNING THE CONSUMER.

15 (C) (1) A CONTROLLER SHALL ESTABLISH A SECURE AND RELIABLE 16 METHOD FOR A CONSUMER TO EXERCISE A CONSUMER RIGHT UNDER THIS SECTION.

17 (2) A CONSUMER MAY EXERCISE A CONSUMER RIGHT UNDER THIS
 18 SECTION BY THE METHOD ESTABLISHED BY THE CONTROLLER UNDER PARAGRAPH
 19 (1) OF THIS SUBSECTION.

20 (D) (1) A CONSUMER MAY DESIGNATE AN AUTHORIZED AGENT IN 21 ACCORDANCE WITH § 14–4606 OF THIS SUBTITLE TO OPT OUT OF THE PROCESSING 22 OF THE CONSUMER'S PERSONAL DATA UNDER SUBSECTION (B)(7) OF THIS SECTION 23 ON BEHALF OF A CONSUMER.

(2) A PARENT OR LEGAL GUARDIAN OF A CHILD MAY EXERCISE A
CONSUMER RIGHT LISTED IN SUBSECTION (B) OF THIS SECTION ON THE CHILD'S
BEHALF REGARDING THE PROCESSING OF PERSONAL DATA.

(3) A GUARDIAN OR CONSERVATOR OF A CONSUMER SUBJECT TO A
 GUARDIANSHIP, CONSERVATORSHIP, OR OTHER PROTECTIVE ARRANGEMENT MAY
 EXERCISE A CONSUMER RIGHT LISTED IN SUBSECTION (B) OF THIS SECTION ON THE
 CONSUMER'S BEHALF REGARDING THE PROCESSING OF PERSONAL DATA.

(1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A 1 **(E)**  $\mathbf{2}$ CONTROLLER SHALL COMPLY WITH A REQUEST BY A CONSUMER TO EXERCISE A 3 CONSUMER RIGHT LISTED IN THIS SECTION. 4 (2) **(I)** A CONTROLLER SHALL RESPOND TO A CONSUMER REQUEST NOT LATER THAN 45 DAYS AFTER THE CONTROLLER RECEIVES THE CONSUMER  $\mathbf{5}$ 6 **REQUEST.** 7 (II) A CONTROLLER MAY EXTEND THE COMPLETION PERIOD BY AN ADDITIONAL 45 DAYS IF: 8 9 1. IT IS REASONABLY NECESSARY TO COMPLETE THE 10 REQUEST BASED ON THE COMPLEXITY AND NUMBER OF THE CONSUMER'S **REQUESTS; AND** 11 THE CONTROLLER INFORMS THE CONSUMER OF THE 122. EXTENSION AND THE REASON FOR THE EXTENSION WITHIN THE INITIAL 45-DAY 1314 **RESPONSE PERIOD.** 15(III) A CONTROLLER SHALL NOTIFY THE CONSUMER WITHIN 30 16DAYS AFTER COMPLYING WITH THE CONSUMER'S REQUEST THAT THE CONTROLLER HAS COMPLIED WITH THE CONSUMER'S REQUEST. 1718 (3) IF A CONTROLLER DECLINES TO ACT REGARDING A CONSUMER'S 19 **REQUEST, THE CONTROLLER SHALL:** 20INFORM THE CONSUMER WITHOUT UNDUE DELAY, BUT NOT **(I)** 21LATER THAN 45 DAYS AFTER RECEIVING THE REQUEST, OF THE JUSTIFICATION FOR 22**DECLINING TO ACT; AND** 23**(II) PROVIDE INSTRUCTIONS FOR HOW TO APPEAL THE** 24**DECISION.** 25(4) **(I)** A CONTROLLER SHALL PROVIDE INFORMATION TO A CONSUMER IN RESPONSE TO A CONSUMER'S REQUEST TO EXERCISE RIGHTS UNDER 26THIS SUBTITLE FREE OF CHARGE ONCE DURING ANY 12-MONTH PERIOD. 2728IF REQUESTS FROM A CONSUMER ARE MANIFESTLY (II) 29UNFOUNDED, EXCESSIVE, TECHNICALLY INFEASIBLE, OR REPETITIVE, A **CONTROLLER MAY:** 30 311. CHARGE THE CONSUMER A REASONABLE FEE TO 32 COVER THE ADMINISTRATIVE COSTS OF COMPLYING WITH THE REQUEST; OR

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2. DECLINE TO ACT ON THE REQUEST.

2 (III) THE CONTROLLER HAS THE BURDEN OF DEMONSTRATING 3 THE MANIFESTLY UNFOUNDED, EXCESSIVE, TECHNICALLY INFEASIBLE, OR 4 REPETITIVE NATURE OF THE REQUEST.

5 (5) IF A CONTROLLER IS UNABLE TO AUTHENTICATE A REQUEST TO 6 EXERCISE A CONSUMER RIGHT AFFORDED UNDER SUBSECTION (B)(1) THROUGH (5) 7 OF THIS SECTION USING COMMERCIALLY REASONABLE EFFORTS, THE 8 CONTROLLER:

9 (I) MAY NOT BE REQUIRED TO COMPLY WITH A REQUEST TO 10 INITIATE AN ACTION IN ACCORDANCE WITH THIS SECTION; AND

11 (II) SHALL PROVIDE NOTICE TO THE CONSUMER THAT THE 12 CONTROLLER IS UNABLE TO AUTHENTICATE THE REQUEST TO EXERCISE THE RIGHT 13 UNTIL THE CONSUMER PROVIDES ADDITIONAL INFORMATION REASONABLY 14 NECESSARY TO AUTHENTICATE THE CONSUMER AND THE CONSUMER'S REQUEST TO 15 EXERCISE THE CONSUMER'S RIGHTS.

16 (6) A CONTROLLER MAY NOT BE REQUIRED TO AUTHENTICATE AN 17 OPT-OUT REQUEST.

18 (7) A CONTROLLER THAT HAS OBTAINED PERSONAL DATA ABOUT A 19 CONSUMER FROM A SOURCE OTHER THAN THE CONSUMER SHALL BE CONSIDERED 20 COMPLIANT WITH THE CONSUMER'S REQUEST TO DELETE THE CONSUMER'S DATA IN 21 ACCORDANCE WITH SUBSECTION (B)(4) OF THIS SECTION BY RETAINING A RECORD 22 OF THE DELETION REQUEST AND THE MINIMUM DATA NECESSARY FOR THE 23 PURPOSE OF ENSURING THAT THE CONSUMER'S PERSONAL DATA:

24(I)**REMAINS DELETED FROM THE CONTROLLER'S RECORDS;**25AND

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(II) IS NOT BEING USED FOR ANY OTHER PURPOSE.

(F) (1) A CONTROLLER SHALL ESTABLISH A PROCESS FOR A CONSUMER
TO APPEAL THE CONTROLLER'S REFUSAL TO ACT ON A CONSUMER RIGHTS REQUEST
WITHIN A REASONABLE PERIOD AFTER THE CONSUMER RECEIVES THE DECISION.

- 30 (2) THE APPEAL PROCESS SHALL BE:
- 31 (I) CONSPICUOUSLY AVAILABLE; AND

1(II)SIMILAR TO THE PROCESS FOR SUBMITTING REQUESTS TO2INITIATE AN ACTION IN ACCORDANCE WITH THIS SECTION.

3 (3) NOT LATER THAN 60 DAYS AFTER RECEIVING AN APPEAL, A 4 CONTROLLER SHALL INFORM THE CONSUMER IN WRITING OF ANY ACTION TAKEN OR 5 NOT TAKEN IN RESPONSE TO THE APPEAL, INCLUDING A WRITTEN EXPLANATION OF 6 THE REASONS FOR THE DECISIONS.

7 (4) IF A CONTROLLER DENIES AN APPEAL, THE CONTROLLER SHALL
8 PROVIDE THE CONSUMER WITH AN ONLINE MECHANISM, IF AVAILABLE, THROUGH
9 WHICH THE CONSUMER MAY CONTACT THE DIVISION TO SUBMIT A COMPLAINT.

10 **14–4606.** 

11 (A) (1) A CONSUMER MAY DESIGNATE AN INDIVIDUAL TO SERVE AS THE 12 CONSUMER'S AUTHORIZED AGENT AND ACT ON THE CONSUMER'S BEHALF TO OPT 13 OUT OF THE PROCESSING OF THE CONSUMER'S PERSONAL DATA FOR ONE OR MORE 14 OF THE PURPOSES SPECIFIED IN § 14–4605(B)(7) OF THIS SUBTITLE.

15 (2) A CONSUMER MAY DESIGNATE AN AUTHORIZED AGENT BY AN 16 INTERNET LINK OR A BROWSER SETTING, BROWSER EXTENSION, GLOBAL DEVICE 17 SETTING, OR OTHER SIMILAR TECHNOLOGY, INDICATING A CONSUMER'S INTENT TO 18 OPT OUT OF THE PROCESSING OF THE CONSUMER'S PERSONAL DATA.

(B) A CONTROLLER SHALL COMPLY WITH AN OPT-OUT REQUEST RECEIVED
 FROM AN AUTHORIZED AGENT IF, USING COMMERCIALLY REASONABLE EFFORTS,
 THE CONTROLLER IS ABLE TO AUTHENTICATE:

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(1) THE IDENTITY OF THE CONSUMER; AND

23 (2) THE AUTHORIZED AGENT'S AUTHORITY TO ACT ON THE 24 CONSUMER'S BEHALF.

- 25 **14–4607.**
- 26 (A) A CONTROLLER MAY NOT:

(1) COLLECT PERSONAL DATA FOR THE SOLE PURPOSE OF CONTENT
 PERSONALIZATION OR MARKETING WITHOUT THE CONSENT OF THE CONSUMER
 WHOSE PERSONAL DATA IS COLLECTED;

1 (2) EXCEPT WHERE THE COLLECTION OR PROCESSING IS STRICTLY 2 NECESSARY TO PROVIDE OR MAINTAIN A SPECIFIC PRODUCT OR SERVICE 3 REQUESTED BY THE CONSUMER TO WHOM THE PERSONAL DATA PERTAINS AND 4 UNLESS THE CONTROLLER OBTAINS THE CONSUMER'S CONSENT, COLLECT, 5 PROCESS, OR SHARE SENSITIVE DATA CONCERNING A CONSUMER;

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(3) SELL SENSITIVE DATA;

7 (4) PROCESS PERSONAL DATA IN VIOLATION OF STATE OR FEDERAL 8 LAWS THAT PROHIBIT UNLAWFUL DISCRIMINATION;

9 (5) PROCESS THE PERSONAL DATA OF A CONSUMER FOR THE 10 PURPOSES OF TARGETED ADVERTISING IF THE CONTROLLER KNEW OR SHOULD 11 HAVE KNOWN THAT THE CONSUMER IS AT LEAST 13 YEARS OLD AND UNDER THE AGE 12 OF 18 YEARS;

13(6)SELL THE PERSONAL DATA OF A CONSUMER WITHOUT THE14CONSUMER'S CONSENT IF THE CONTROLLER KNEW OR SHOULD HAVE KNOWN THAT15THE CONSUMER IS AT LEAST 13 YEARS OLD AND UNDER THE AGE OF 18 YEARS;

16 (7) DISCRIMINATE AGAINST A CONSUMER FOR EXERCISING A 17 CONSUMER RIGHT CONTAINED IN THIS SUBTITLE, INCLUDING DENYING GOODS OR 18 SERVICES, CHARGING DIFFERENT PRICES OR RATES FOR GOODS OR SERVICES, OR 19 PROVIDING A DIFFERENT LEVEL OF QUALITY OF GOODS OR SERVICES TO THE 20 CONSUMER;

(8) COLLECT, PROCESS, OR TRANSFER PERSONAL DATA OR PUBLICLY
AVAILABLE DATA IN A MANNER THAT UNLAWFULLY DISCRIMINATES IN OR
OTHERWISE UNLAWFULLY MAKES UNAVAILABLE THE EQUAL ENJOYMENT OF GOODS
OR SERVICES ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX,
SEXUAL ORIENTATION, GENDER IDENTITY, OR DISABILITY, UNLESS THE
COLLECTION, PROCESSING, OR TRANSFER OF PERSONAL DATA IS FOR:

27 (I) THE CONTROLLER'S SELF-TESTING TO PREVENT OR 28 MITIGATE UNLAWFUL DISCRIMINATION;

29 (II) THE CONTROLLER'S DIVERSIFYING OF AN APPLICANT, 30 PARTICIPANT, OR CUSTOMER POOL; OR

31(III)A PRIVATE CLUB OR GROUP NOT OPEN TO THE PUBLIC, AS32DESCRIBED IN § 201(E) OF THE CIVIL RIGHTS ACT OF 1964; OR

1 (9) UNLESS THE CONTROLLER OBTAINS THE CONSUMER'S CONSENT, 2 PROCESS PERSONAL DATA FOR A PURPOSE THAT IS NEITHER REASONABLY 3 NECESSARY TO, NOR COMPATIBLE WITH, THE DISCLOSED PURPOSES FOR WHICH 4 THE PERSONAL DATA IS PROCESSED, AS DISCLOSED TO THE CONSUMER.

5 (B) (1) A CONTROLLER SHALL:

6 (I) LIMIT THE COLLECTION OF PERSONAL DATA TO WHAT IS 7 REASONABLY NECESSARY AND PROPORTIONATE TO PROVIDE OR MAINTAIN A 8 SPECIFIC PRODUCT OR SERVICE REQUESTED BY THE CONSUMER TO WHOM THE 9 DATA PERTAINS;

10 (II) ESTABLISH, IMPLEMENT, AND MAINTAIN REASONABLE 11 ADMINISTRATIVE, TECHNICAL, AND PHYSICAL DATA SECURITY PRACTICES TO 12 PROTECT THE CONFIDENTIALITY, INTEGRITY, AND ACCESSIBILITY OF PERSONAL 13 DATA APPROPRIATE TO THE VOLUME AND NATURE OF THE PERSONAL DATA AT 14 ISSUE; AND

(III) PROVIDE AN EFFECTIVE MECHANISM FOR A CONSUMER TO
REVOKE THE CONSUMER'S CONSENT UNDER THIS SECTION THAT IS AT LEAST AS
EASY AS THE MECHANISM BY WHICH THE CONSUMER PROVIDED THE CONSUMER'S
CONSENT.

19(2)IF A CONSUMER REVOKES CONSENT UNDER THIS SECTION, THE20CONTROLLER SHALL STOP PROCESSING THE CONSUMER'S PERSONAL DATA AS SOON21AS PRACTICABLE, BUT NOT LATER THAN 15 DAYS AFTER RECEIVING THE REQUEST.

22 (C) NOTHING IN SUBSECTION (A) OR (B) OF THIS SECTION MAY BE 23 CONSTRUED TO:

(1) 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

(2) 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 OFFERING IS IN
CONNECTION WITH A CONSUMER'S VOLUNTARY PARTICIPATION IN A BONA FIDE
LOYALTY, REWARDS, PREMIUM FEATURES, DISCOUNTS, OR CLUB CARD PROGRAM.

32 (D) A CONTROLLER SHALL PROVIDE A CONSUMER WITH A REASONABLY 33 ACCESSIBLE, CLEAR, AND MEANINGFUL PRIVACY NOTICE THAT INCLUDES: 1 (1) THE CATEGORIES OF PERSONAL DATA PROCESSED BY THE 2 CONTROLLER, INCLUDING SENSITIVE DATA;

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## (2) THE CONTROLLER'S PURPOSE FOR PROCESSING PERSONAL DATA;

4 (3) HOW A CONSUMER MAY EXERCISE THE CONSUMER'S RIGHTS 5 UNDER THIS SUBTITLE, INCLUDING HOW A CONSUMER MAY APPEAL A 6 CONTROLLER'S DECISION REGARDING THE CONSUMER'S REQUEST OR MAY REVOKE 7 CONSENT;

8 (4) THE CATEGORIES OF THIRD PARTIES WITH WHICH THE 9 CONTROLLER SHARES PERSONAL DATA WITH A LEVEL OF DETAIL THAT ENABLES A 10 CONSUMER TO UNDERSTAND WHAT TYPE OF ENTITY EACH THIRD PARTY IS AND, TO 11 THE EXTENT POSSIBLE, HOW EACH THIRD PARTY MAY PROCESS THE PERSONAL 12 DATA;

13(5)THE CATEGORIES OF PERSONAL DATA, INCLUDING SENSITIVE14DATA, THAT THE CONTROLLER SHARES WITH THIRD PARTIES; AND

15(6) AN ACTIVE E-MAIL ADDRESS OR OTHER ONLINE MECHANISM16THAT A CONSUMER MAY USE TO CONTACT THE CONTROLLER.

17 (E) IF A CONTROLLER SELLS PERSONAL DATA TO THIRD PARTIES OR 18 PROCESSES PERSONAL DATA FOR TARGETED ADVERTISING OR FOR THE PURPOSES 19 OF PROFILING THE CONSUMER IN FURTHERANCE OF DECISIONS THAT PRODUCE 20 LEGAL OR SIMILARLY SIGNIFICANT EFFECTS, THE CONTROLLER SHALL CLEARLY 21 AND CONSPICUOUSLY DISCLOSE THE PROCESSING, AS WELL AS THE MANNER IN 22 WHICH A CONSUMER MAY EXERCISE THE RIGHT TO OPT OUT OF THE PROCESSING.

(F) (1) THE PRIVACY NOTICE UNDER SUBSECTION (D) OF THIS SECTION
SHALL ESTABLISH ONE OR MORE SECURE AND RELIABLE METHODS FOR A
CONSUMER TO SUBMIT A REQUEST TO EXERCISE A CONSUMER RIGHT IN
ACCORDANCE WITH THIS SUBTITLE THAT TAKE INTO ACCOUNT:

27(I) THE WAYS IN WHICH CONSUMERS NORMALLY INTERACT28WITH THE CONTROLLER;

29(II) THE NEED FOR SECURE AND RELIABLE COMMUNICATION30OF CONSUMER REQUESTS; AND

31(III) THE ABILITY OF THE CONTROLLER TO VERIFY THE32IDENTITY OF A CONSUMER MAKING THE REQUEST.

1 (2) (I) A CONTROLLER MAY NOT REQUIRE A CONSUMER TO 2 CREATE A NEW ACCOUNT IN ORDER TO EXERCISE A CONSUMER RIGHT.

3 (II) A CONTROLLER MAY REQUIRE A CONSUMER TO USE AN 4 EXISTING ACCOUNT TO EXERCISE A CONSUMER RIGHT.

5 (3) A CONTROLLER MAY UTILIZE THE FOLLOWING METHODS TO 6 SATISFY PARAGRAPH (1) OF THIS SUBSECTION:

7 (I) PROVIDING A CLEAR AND CONSPICUOUS LINK ON THE 8 CONTROLLER'S WEBSITE TO A WEBPAGE THAT ALLOWS A CONSUMER, OR AN 9 AUTHORIZED AGENT OF THE CONSUMER, TO OPT OUT OF THE TARGETED 10 ADVERTISING OR THE SALE OF THE CONSUMER'S PERSONAL DATA; OR

(II) ON OR BEFORE OCTOBER 1, 2025, ALLOWING A CONSUMER
TO OPT OUT OF ANY PROCESSING OF THE CONSUMER'S PERSONAL DATA FOR THE
PURPOSES OF TARGETED ADVERTISING, OR ANY SALE OF PERSONAL DATA,
THROUGH AN OPT-OUT PREFERENCE SIGNAL SENT, WITH THE CONSUMER'S
CONSENT, BY A PLATFORM, TECHNOLOGY, OR MECHANISM TO THE CONTROLLER
INDICATING THE CONSUMER'S INTENT TO OPT OUT OF THE PROCESSING OR SALE.

- 17 (4) A PLATFORM, TECHNOLOGY, OR MECHANISM USED IN 18 ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION SHALL:
- 19 (I) BE CONSUMER-FRIENDLY AND EASY TO USE BY THE 20 AVERAGE CONSUMER;

21 (II) USE CLEAR, EASY TO UNDERSTAND, AND UNAMBIGUOUS 22 LANGUAGE;

(III) BE AS CONSISTENT AS POSSIBLE WITH ANY OTHER SIMILAR
 PLATFORM, TECHNOLOGY, OR MECHANISM REQUIRED BY ANY FEDERAL OR STATE
 LAW OR REGULATION;

26 (IV) ENABLE THE CONTROLLER TO REASONABLY DETERMINE 27 WHETHER THE CONSUMER:

- 28
   1. IS A RESIDENT OF THE STATE; AND
- 292.HAS MADE A LEGITIMATE REQUEST TO OPT OUT OF30ANY SALE OF THE CONSUMER'S PERSONAL DATA OR TARGETED ADVERTISING; AND

1 (V) REQUIRE A CONSUMER TO MAKE AN AFFIRMATIVE, 2 UNAMBIGUOUS, AND VOLUNTARY CHOICE IN ORDER TO OPT OUT OF ANY 3 PROCESSING OF THE CONSUMER'S PERSONAL DATA.

- 4 (5) A PLATFORM, TECHNOLOGY, OR MECHANISM USED IN 5 ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION MAY NOT:
- 6
- (I) UNFAIRLY DISADVANTAGE ANOTHER CONTROLLER; OR

7 (II) USE A DEFAULT SETTING TO OPT A CONSUMER OUT OF ANY 8 PROCESSING OF THE CONSUMER'S PERSONAL DATA.

9 (G) IF A CONSUMER'S DECISION TO OPT OUT OF THE PROCESSING OF THE 10 CONSUMER'S PERSONAL DATA FOR THE PURPOSES OF TARGETED ADVERTISING, OR 11 THE SALE OF PERSONAL DATA THROUGH AN OPT-OUT PREFERENCE SIGNAL SENT IN 12ACCORDANCE WITH SUBSECTION (F)(3) OF THIS SECTION CONFLICTS WITH THE CONSUMER'S EXISTING CONTROLLER-SPECIFIC PRIVACY SETTING OR THE 13 CONSUMER'S VOLUNTARY PARTICIPATION IN A CONTROLLER'S BONA FIDE LOYALTY, 14REWARDS, PREMIUM FEATURES, DISCOUNTS, OR CLUB CARD PROGRAM, THE 15 CONTROLLER MAY NOTIFY THE CONSUMER OF A CONFLICT AND PROVIDE THE 16 17CHOICE TO CONFIRM CONTROLLER-SPECIFIC PRIVACY SETTINGS OR 18 PARTICIPATION IN A PROGRAM LISTED IN THIS PARAGRAPH.

19 **14–4608.** 

20 (A) (1) IF A CONTROLLER USES A PROCESSOR TO PROCESS THE 21 PERSONAL DATA OF CONSUMERS, THE CONTROLLER AND THE PROCESSOR SHALL 22 ENTER INTO A CONTRACT THAT GOVERNS THE PROCESSOR'S DATA PROCESSING 23 PROCEDURES WITH RESPECT TO PROCESSING PERFORMED ON BEHALF OF THE 24 CONTROLLER.

25 (2) THE CONTRACT SHALL BE BINDING AND SHALL CLEARLY SET 26 FORTH INSTRUCTIONS FOR:

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- (I) **PROCESSING DATA;**
- 28 (II) THE NATURE AND PURPOSE OF PROCESSING;
- 29 (III) THE TYPE OF DATA SUBJECT TO PROCESSING;
- 30 (IV) THE DURATION OF PROCESSING; AND
- 31 (V) THE RIGHTS AND OBLIGATIONS OF BOTH PARTIES.

THE CONTRACT SHALL REQUIRE THAT THE PROCESSOR:

2 (I) ENSURE THAT EACH PERSON PROCESSING PERSONAL DATA 3 IS SUBJECT TO A DUTY OF CONFIDENTIALITY WITH RESPECT TO THE PERSONAL 4 DATA;

(3)

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5 (II) ESTABLISH, IMPLEMENT, AND MAINTAIN REASONABLE 6 ADMINISTRATIVE, TECHNICAL, AND PHYSICAL DATA SECURITY PRACTICES TO 7 PROTECT THE CONFIDENTIALITY, INTEGRITY, AND ACCESSIBILITY OF PERSONAL 8 DATA, CONSIDERING THE VOLUME AND NATURE OF THE PERSONAL DATA;

9 (III) STOP PROCESSING DATA ON REQUEST BY THE CONTROLLER 10 MADE IN ACCORDANCE WITH A CONSUMER'S AUTHENTICATED REQUEST;

(IV) AT THE CONTROLLER'S DIRECTION, DELETE OR RETURN
ALL PERSONAL DATA TO THE CONTROLLER AS REQUESTED AT THE END OF THE
PROVISION OF SERVICE, UNLESS RETENTION OF THE PERSONAL DATA IS REQUIRED
BY LAW;

15 (V) ON THE REASONABLE REQUEST OF THE CONTROLLER, 16 MAKE AVAILABLE TO THE CONTROLLER ALL INFORMATION IN THE PROCESSOR'S 17 POSSESSION NECESSARY TO DEMONSTRATE THE PROCESSOR'S COMPLIANCE WITH 18 THE OBLIGATIONS IN THIS SUBTITLE;

19 (VI) AFTER PROVIDING THE CONTROLLER AN OPPORTUNITY TO 20 OBJECT, ENGAGE A SUBCONTRACTOR TO ASSIST WITH PROCESSING PERSONAL DATA 21 ON THE CONTROLLER'S BEHALF ONLY IN ACCORDANCE WITH A WRITTEN CONTRACT 22 THAT REQUIRES THE SUBCONTRACTOR TO MEET THE PROCESSOR'S OBLIGATIONS 23 REGARDING THE PERSONAL DATA UNDER THE PROCESSOR'S CONTRACT WITH THE 24 CONTROLLER; AND

(VII) ALLOW AND COOPERATE WITH REASONABLE ASSESSMENTS
 BY THE CONTROLLER, THE CONTROLLER'S DESIGNATED ASSESSOR, OR A QUALIFIED
 AND INDEPENDENT ASSESSOR ARRANGED FOR BY THE PROCESSOR TO ASSESS THE
 PROCESSOR'S POLICIES AND TECHNICAL AND ORGANIZATIONAL MEASURES IN
 SUPPORT OF THE OBLIGATIONS UNDER THIS SUBTITLE.

30 (4) (1) ON REQUEST, THE PROCESSOR SHALL PROVIDE A REPORT
 31 OF AN ASSESSMENT REQUIRED BY PARAGRAPH (3)(V) OF THIS SUBSECTION TO THE
 32 CONTROLLER.

1 (II) AN ASSESSMENT CONDUCTED IN ACCORDANCE WITH 2 PARAGRAPH (3)(V) OF THIS SUBSECTION SHALL BE CONDUCTED USING AN 3 APPROPRIATE AND ACCEPTED CONTROL STANDARD OR FRAMEWORK AND 4 ASSESSMENT PROCEDURE FOR THE ASSESSMENTS.

5 (B) (1) IF A CONTROLLER USES A PROCESSOR TO PROCESS THE 6 PERSONAL DATA OF CONSUMERS, THE CONTROLLER SHALL PROVIDE THE 7 PROCESSOR WITH INSTRUCTIONS ON HOW TO PROCESS PERSONAL DATA.

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(2) A PROCESSOR SHALL:

9 (I) ADHERE TO THE CONTRACT AND INSTRUCTIONS OF A 10 CONTROLLER;

(II) ASSIST THE CONTROLLER IN MEETING THE CONTROLLER'S
 OBLIGATIONS UNDER THIS SUBTITLE, INCLUDING, CONSIDERING THE NATURE OF
 PROCESSING AND THE INFORMATION AVAILABLE TO THE PROCESSOR:

141.BY APPROPRIATE TECHNICAL AND ORGANIZATIONAL15MEASURES AS MUCH AS REASONABLY PRACTICABLE TO FULFILL THE16CONTROLLER'S OBLIGATION TO RESPOND TO CONSUMER RIGHTS REQUESTS; AND

172. By assisting the controller in meeting the18CONTROLLER'S OBLIGATIONS IN RELATION TO THE SECURITY OF PROCESSING THE19PERSONAL DATA AND IN RELATION TO THE NOTIFICATION OF A BREACH OF THE20SECURITY OF A SYSTEM, AS DEFINED IN § 14–3504 OF THIS TITLE; AND

21(III) PROVIDE NECESSARY INFORMATION TO ENABLE THE22CONTROLLER TO CONDUCT AND DOCUMENT DATA PROTECTION ASSESSMENTS.

(C) NOTHING IN THIS SECTION MAY BE CONSTRUED TO RELIEVE A
 CONTROLLER OR A PROCESSOR FROM THE LIABILITIES IMPOSED ON THE
 CONTROLLER OR PROCESSOR BY VIRTUE OF THE CONTROLLER'S OR PROCESSOR'S
 ROLE IN THE PROCESSING RELATIONSHIP IN ACCORDANCE WITH THIS SECTION.

(D) (1) THE DETERMINATION OF WHETHER A PERSON IS ACTING AS A
CONTROLLER OR A PROCESSOR WITH RESPECT TO A SPECIFIC PROCESSING OF DATA
IS A FACT-BASED DETERMINATION THAT DEPENDS ON THE CONTEXT IN WHICH
PERSONAL DATA IS BEING PROCESSED.

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(2) A PERSON IS CONSIDERED TO BE A CONTROLLER IF THE PERSON:

1(I)IS NOT LIMITED IN THE PERSON'S PROCESSING OF SPECIFIC2PERSONAL DATA IN ACCORDANCE WITH A CONTROLLER'S INSTRUCTIONS; OR

3 (II) FAILS TO ADHERE TO A CONTROLLER'S INSTRUCTIONS 4 WITH RESPECT TO A SPECIFIC PROCESSING OF PERSONAL DATA.

5 (3) A PROCESSOR THAT CONTINUES TO ADHERE TO A CONTROLLER'S 6 INSTRUCTIONS WITH RESPECT TO A SPECIFIC PROCESSING OF PERSONAL DATA 7 REMAINS A PROCESSOR.

8 (4) IF A PROCESSOR OR THIRD PARTY BEGINS, ALONE OR JOINTLY 9 WITH OTHERS, DETERMINING THE PURPOSES AND MEANS OF THE PROCESSING OF 10 PERSONAL DATA, THE PROCESSOR:

11

(I) IS A CONTROLLER WITH RESPECT TO THE PROCESSING; AND

12 (II) MAY BE SUBJECT TO AN ENFORCEMENT ACTION UNDER 13 THIS SUBTITLE.

14 (E) NOTHING IN THIS SECTION MAY BE CONSTRUED TO ALTER A 15 CONTROLLER'S OBLIGATION TO LIMIT A PERSON'S PROCESSING OF PERSONAL DATA 16 OR TO TAKE STEPS TO ENSURE THAT A PROCESSOR ADHERES TO THE CONTROLLER'S 17 INSTRUCTIONS.

18 **14–4609.** 

19 (A) IF A THIRD PARTY USES OR SHARES A CONSUMER'S INFORMATION IN A 20 MANNER INCONSISTENT WITH PROMISES MADE TO THE CONSUMER AT THE TIME OF 21 COLLECTION OF THE INFORMATION, THE THIRD PARTY SHALL PROVIDE AN 22 AFFECTED CONSUMER WITH NOTICE OF THE NEW OR CHANGED PRACTICE BEFORE 23 IMPLEMENTING THE NEW OR CHANGED PRACTICE.

(B) THE NOTICE PROVIDED UNDER SUBSECTION (A) OF THIS SECTION
SHALL BE PROVIDED IN A MANNER AND AT A TIME REASONABLY CALCULATED TO
ALLOW A CONSUMER TO EXERCISE THE RIGHTS PROVIDED UNDER THIS SUBTITLE.

27 **14–4610.** 

28 (A) IN THIS SECTION, "PROCESSING ACTIVITIES THAT PRESENT A 29 HEIGHTENED RISK OF HARM TO A CONSUMER" MEANS:

30 (1) THE PROCESSING OF PERSONAL DATA FOR THE PURPOSES OF 31 TARGETED ADVERTISING;

	28 SENATE BILL 541
1	(2) THE SALE OF PERSONAL DATA;
2	(3) THE PROCESSING OF SENSITIVE DATA; AND
3	(4) THE PROCESSING OF PERSONAL DATA FOR THE PURPOSES OF
4 5	PROFILING, IN WHICH THE PROFILING PRESENTS A REASONABLY FORESEEABLE RISK OF:
6	(I) UNFAIR, ABUSIVE, OR DECEPTIVE TREATMENT OF A
7	CONSUMER;
8	(II) HAVING AN UNLAWFUL DISPARATE IMPACT ON A
9	CONSUMER;
10	(III) FINANCIAL, PHYSICAL, OR REPUTATIONAL INJURY TO A
11	CONSUMER;
12	(IV) A PHYSICAL OR OTHER INTRUSION ON THE SOLITUDE OR
$\frac{13}{14}$	SECLUSION OR THE PRIVATE AFFAIRS OR CONCERNS OF A CONSUMER IN WHICH THE INTRUSION WOULD BE OFFENSIVE TO A REASONABLE PERSON; OR
15	(V) OTHER SUBSTANTIAL INJURY TO A CONSUMER.
16	(B) A CONTROLLER SHALL CONDUCT AND DOCUMENT, ON A REGULAR
17 18	BASIS, A DATA PROTECTION ASSESSMENT FOR EACH OF THE CONTROLLER'S PROCESSING ACTIVITIES THAT PRESENT A HEIGHTENED RISK OF HARM TO A
19	CONSUMER, INCLUDING AN ASSESSMENT FOR EACH ALGORITHM THAT IS USED.
20	(C) (1) A DATA PROTECTION ASSESSMENT CONDUCTED IN ACCORDANCE
21	WITH THIS SECTION SHALL IDENTIFY AND WEIGH THE BENEFITS THAT MAY FLOW
$\frac{22}{23}$	DIRECTLY AND INDIRECTLY FROM THE PROCESSING TO THE CONTROLLER, THE CONSUMER, OTHER INTERESTED PARTIES, AND THE PUBLIC AGAINST:
20	CONSUMER, OTHER INTERESTED TARTIES, AND THE TODLIC AGAINST.
24	(I) THE POTENTIAL RISKS TO THE RIGHTS OF THE CONSUMER
25	ASSOCIATED WITH THE PROCESSING AS MITIGATED BY SAFEGUARDS THAT MAY BE
26	EMPLOYED BY THE CONTROLLER TO REDUCE THESE RISKS; AND
27	(II) THE NECESSITY AND PROPORTIONALITY OF PROCESSING IN
28	RELATION TO THE STATED PURPOSE OF THE PROCESSING.
29	(2) THE CONTROLLER SHALL FACTOR INTO A DATA PROTECTION
30	ASSESSMENT:

**(I)** 1 THE USE OF DE-IDENTIFIED DATA;  $\mathbf{2}$ **(II)** THE REASONABLE EXPECTATIONS OF CONSUMERS; (III) THE CONTEXT OF THE PROCESSING; AND 3 4 (IV) THE RELATIONSHIP BETWEEN THE CONTROLLER AND THE 5CONSUMER WHOSE PERSONAL DATA WILL BE PROCESSED. 6 THE DIVISION MAY REQUIRE THAT A CONTROLLER MAKE **(D)** (1) 7 AVAILABLE TO THE DIVISION A DATA PROTECTION ASSESSMENT THAT IS RELEVANT TO AN INVESTIGATION CONDUCTED BY THE DIVISION. 8 9 (2) **(I)** THE DIVISION MAY EVALUATE A DATA PROTECTION 10 ASSESSMENT FOR COMPLIANCE WITH THE RESPONSIBILITIES ESTABLISHED IN THIS 11 SUBTITLE. 12 (II) A CONTROLLER'S DATA PROTECTION ASSESSMENT MAY BE 13USED IN AN ACTION TO ENFORCE THIS SUBTITLE. 14(3) A DATA PROTECTION ASSESSMENT IS CONFIDENTIAL AND IS EXEMPT FROM DISCLOSURE UNDER THE FEDERAL FREEDOM OF INFORMATION ACT 15OR THE PUBLIC INFORMATION ACT. 16 17**(E)** A SINGLE DATA PROTECTION ASSESSMENT MAY ADDRESS A 18 COMPARABLE SET OF PROCESSING OPERATIONS THAT INCLUDE SIMILAR 19 **ACTIVITIES.** 20(F) IF A CONTROLLER CONDUCTS A DATA PROTECTION ASSESSMENT FOR THE PURPOSE OF COMPLYING WITH ANOTHER APPLICABLE LAW OR REGULATION, 2122THE DATA PROTECTION ASSESSMENT SHALL BE CONSIDERED TO SATISFY THE 23REQUIREMENTS ESTABLISHED IN THIS SECTION IF THE DATA PROTECTION 24ASSESSMENT IS REASONABLY SIMILAR IN SCOPE AND EFFECT TO THE DATA PROTECTION ASSESSMENT THAT WOULD OTHERWISE BE CONDUCTED IN 2526ACCORDANCE WITH THIS SECTION. 27(G) TO THE EXTENT THAT ANY INFORMATION CONTAINED IN A DATA

27(G)TO THE EXTENT THAT ANY INFORMATION CONTAINED IN A DATA28PROTECTION ASSESSMENT DISCLOSED TO THE DIVISION INCLUDES INFORMATION29SUBJECT TO ATTORNEY-CLIENT PRIVILEGE OR WORK PRODUCT PROTECTION, THE30DISCLOSURE MAY NOT CONSTITUTE A WAIVER OF THAT PRIVILEGE OR PROTECTION.

31 **14–4611.** 

1 (A) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE A 2 CONTROLLER OR A PROCESSOR TO:

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(1) **RE-IDENTIFY DE-IDENTIFIED DATA;** 

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(2) MAINTAIN DATA IN AN IDENTIFIABLE FORM; OR

5 (3) COLLECT, OBTAIN, RETAIN, OR ACCESS ANY DATA OR 6 TECHNOLOGY IN ORDER TO BE CAPABLE OF ASSOCIATING AN AUTHENTICATED 7 CONSUMER REQUEST WITH PERSONAL DATA.

8 (B) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE A 9 CONTROLLER OR PROCESSOR TO COMPLY WITH AN AUTHENTICATED CONSUMER 10 RIGHTS REQUEST IF THE CONTROLLER:

11 (1) IS NOT REASONABLY CAPABLE OF ASSOCIATING THE REQUEST 12 WITH THE PERSONAL DATA OR IT WOULD BE UNREASONABLY BURDENSOME FOR THE 13 CONTROLLER TO ASSOCIATE THE REQUEST WITH THE PERSONAL DATA;

14 (2) DOES NOT USE THE PERSONAL DATA TO RECOGNIZE OR RESPOND 15 TO THE SPECIFIC CONSUMER WHO IS THE SUBJECT OF THE PERSONAL DATA OR 16 ASSOCIATE THE PERSONAL DATA WITH OTHER PERSONAL DATA ABOUT THE SAME 17 SPECIFIC CONSUMER; AND

(3) DOES NOT SELL THE PERSONAL DATA TO A THIRD PARTY OR
 OTHERWISE VOLUNTARILY DISCLOSE THE PERSONAL DATA TO A THIRD PARTY
 OTHER THAN A PROCESSOR, EXCEPT AS OTHERWISE ALLOWED IN THIS SUBTITLE.

21 (C) (1) A CONTROLLER THAT DISCLOSES DE–IDENTIFIED DATA SHALL:

22 (I) EXERCISE REASONABLE OVERSIGHT TO MONITOR 23 COMPLIANCE WITH ANY CONTRACTUAL COMMITMENTS TO WHICH THE 24 DE-IDENTIFIED DATA IS SUBJECT; AND

25 (II) TAKE APPROPRIATE STEPS TO ADDRESS ANY BREACHES OF 26 ANY CONTRACTUAL COMMITMENTS.

27 (2) THE DETERMINATION OF WHETHER OVERSIGHT IS REASONABLE 28 AND WHETHER APPROPRIATE STEPS WERE TAKEN IN ACCORDANCE WITH 29 PARAGRAPH (1) OF THIS SUBSECTION SHALL TAKE INTO ACCOUNT WHETHER THE 30 DISCLOSED DATA INCLUDES DATA THAT WOULD BE CONSIDERED SENSITIVE DATA IF 31 THE DATA WERE RE–IDENTIFIED. 1 **14–4612.** 

2 (A) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO RESTRICT A 3 CONTROLLER'S OR PROCESSOR'S ABILITY TO:

4 (1) COMPLY WITH FEDERAL, STATE, OR LOCAL LAWS OR 5 REGULATIONS;

6 (2) COMPLY WITH A CIVIL, CRIMINAL, OR REGULATORY INQUIRY, 7 INVESTIGATION, SUBPOENA, OR SUMMONS BY A FEDERAL, STATE, LOCAL, OR OTHER 8 GOVERNMENTAL AUTHORITY;

9 (3) COOPERATE WITH LAW ENFORCEMENT AGENCIES CONCERNING 10 CONDUCT OR ACTIVITY THAT THE CONTROLLER OR PROCESSOR REASONABLY AND 11 IN GOOD FAITH BELIEVES MAY VIOLATE FEDERAL, STATE, OR LOCAL LAWS OR 12 REGULATIONS;

13(4)INVESTIGATE, ESTABLISH, EXERCISE, PREPARE FOR, OR DEFEND14A LEGAL CLAIM;

15(5)PROVIDE A PRODUCT OR SERVICE SPECIFICALLY REQUESTED BY16A CONSUMER;

17(6) PERFORM UNDER A CONTRACT TO WHICH A CONSUMER IS A18PARTY, INCLUDING FULFILLING THE TERMS OF A WRITTEN WARRANTY;

19 (7) TAKE STEPS AT THE REQUEST OF A CONSUMER BEFORE 20 ENTERING INTO A CONTRACT;

21 (8) TAKE IMMEDIATE STEPS TO PROTECT AN INTEREST THAT IS 22 ESSENTIAL FOR THE LIFE OR PHYSICAL SAFETY OF A CONSUMER OR ANOTHER 23 INDIVIDUAL AND WHEN THE PROCESSING CANNOT BE MANIFESTLY BASED ON 24 ANOTHER LEGAL BASIS;

25 (9) PREVENT, DETECT, PROTECT AGAINST, INVESTIGATE, 26 PROSECUTE THOSE RESPONSIBLE, OR OTHERWISE RESPOND TO A SECURITY 27 INCIDENT, IDENTITY THEFT, FRAUD, HARASSMENT, MALICIOUS OR DECEPTIVE 28 ACTIVITY, OR ANY OTHER TYPE OF ILLEGAL ACTIVITY;

29 (10) PRESERVE THE INTEGRITY OR SECURITY OF SYSTEMS; OR

 $\mathbf{2}$ 3 **(B)** (1) THIS SUBSECTION DOES NOT APPLY TO AN OBLIGATION **REQUIRED UNDER § 14–4611 OF THIS SUBTITLE.** 4  $\mathbf{5}$ (2) AN OBLIGATION IMPOSED ON A CONTROLLER OR PROCESSOR 6 UNDER THIS SUBTITLE MAY NOT RESTRICT A CONTROLLER'S OR PROCESSOR'S 7 ABILITY TO COLLECT, USE, OR RETAIN PERSONAL DATA FOR INTERNAL USE TO: 8 **(I) EFFECTUATE A PRODUCT RECALL;** 9 **(II) IDENTIFY AND REPAIR TECHNICAL ERRORS THAT IMPAIR** EXISTING OR INTENDED FUNCTIONALITY; OR (III) **PERFORM INTERNAL OPERATIONS THAT ARE:** 1. **REASONABLY ALIGNED WITH THE EXPECTATIONS OF** THE CONSUMER OR CAN BE REASONABLY ANTICIPATED BASED ON THE CONSUMER'S EXISTING RELATIONSHIP WITH THE CONTROLLER; OR 2. **OTHERWISE COMPATIBLE WITH PROCESSING DATA IN FURTHERANCE OF:** THE PROVISION OF A PRODUCT OR SERVICE A. SPECIFICALLY REQUESTED BY A CONSUMER; OR В. THE PERFORMANCE OF A CONTRACT TO WHICH THE CONSUMER IS A PARTY. 21 **(C)** (1) AN OBLIGATION IMPOSED ON A CONTROLLER OR A PROCESSOR UNDER THIS SUBTITLE DOES NOT APPLY WHEN COMPLIANCE BY THE CONTROLLER OR PROCESSOR WITH THE SUBTITLE WOULD VIOLATE AN EVIDENTIARY PRIVILEGE UNDER STATE LAW. (2) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO PREVENT A CONTROLLER OR PROCESSOR FROM PROVIDING PERSONAL DATA CONCERNING A CONSUMER TO A PERSON COVERED BY AN EVIDENTIARY PRIVILEGE UNDER STATE 28LAW AS PART OF A PRIVILEGED COMMUNICATION. **(**D**)** A THIRD-PARTY CONTROLLER OR PROCESSOR THAT RECEIVES

2930 PERSONAL DATA FROM A CONTROLLER OR PROCESSOR IN COMPLIANCE WITH THIS 31 SUBTITLE IS NOT IN VIOLATION OF THIS SUBTITLE FOR THE INDEPENDENT

- **SENATE BILL 541**
- 1 (11) ASSIST ANOTHER CONTROLLER, PROCESSOR, OR THIRD PARTY WITH AN OBLIGATION UNDER THIS SUBTITLE.

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$\frac{1}{2}$	MISCONDUCT OF THE CONTROLLER OR PROCESSOR FROM WHICH THE THIRD–PARTY CONTROLLER OR PROCESSOR RECEIVED THE PERSONAL DATA.
3	(E) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO:
4	(1) IMPOSE AN OBLIGATION ON A CONTROLLER OR A PROCESSOR
<b>5</b>	THAT ADVERSELY AFFECTS THE RIGHTS OR FREEDOMS OF ANY PERSON, INCLUDING
6	THE RIGHTS OF A PERSON TO FREEDOM OF SPEECH OR FREEDOM OF THE PRESS AS
7	GUARANTEED IN THE FIRST AMENDMENT TO THE U.S. CONSTITUTION; OR
8	(2) APPLY TO A PERSON'S PROCESSING OF PERSONAL DATA DURING
9	THE PERSON'S PERSONAL OR HOUSEHOLD ACTIVITIES.
10	(F) IF A CONTROLLER PROCESSES PERSONAL DATA IN ACCORDANCE WITH
11	AN EXEMPTION UNDER THIS SECTION, THE CONTROLLER SHALL DEMONSTRATE
12	THAT THE PROCESSING:
13	(1) QUALIFIES FOR AN EXEMPTION; AND
14	(2) COMPLIES WITH THE REQUIREMENTS OF SUBSECTION (G) OF THIS
15	SECTION.
16	(G) <b>PERSONAL DATA PROCESSED BY A CONTROLLER IN ACCORDANCE WITH</b>
17	THIS SECTION:
18	(1) SHALL BE SUBJECT TO REASONABLE ADMINISTRATIVE,
19	TECHNICAL, AND PHYSICAL MEASURES TO:
20	(I) <b>PROTECT THE CONFIDENTIALITY, INTEGRITY, AND</b>
21	ACCESSIBILITY OF THE PERSONAL DATA; AND
22	(II) <b>REDUCE REASONABLY FORESEEABLE RISKS OF HARM TO</b>
23	CONSUMERS RELATING TO THE COLLECTION, USE, OR RETENTION OF PERSONAL
24	DATA; AND
25	(2) MAY BE PROCESSED TO THE EXTENT THAT THE PROCESSING IS:
26	(I) <b>REASONABLY NECESSARY AND PROPORTIONATE TO THE</b>
$\frac{20}{27}$	PURPOSES LISTED IN THIS SECTION; AND
28	(II) ADEQUATE, RELEVANT, AND LIMITED TO WHAT IS
29	NECESSARY IN RELATION TO THE SPECIFIC PURPOSES LISTED IN THIS SECTION.

1 (H) A PERSON THAT PROCESSES PERSONAL DATA FOR A PURPOSE 2 EXPRESSLY IDENTIFIED IN THIS SECTION MAY NOT BE CONSIDERED A CONTROLLER 3 SOLELY BASED ON THE PROCESSING OF PERSONAL DATA.

4 **14–4613.** 

5 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A 6 VIOLATION OF THIS SUBTITLE IS:

7 (1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN 8 THE MEANING OF TITLE 13 OF THIS ARTICLE; AND

9 (2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS 10 CONTAINED IN TITLE 13 OF THIS ARTICLE, EXCEPT FOR § 13–408 OF THIS ARTICLE.

## 11(B) THIS SECTION DOES NOT PREVENT A CONSUMER FROM PURSUING ANY12OTHER REMEDY PROVIDED BY LAW.

13 SECTION 2. AND BE IT FURTHER ENACTED, That § 14–4612 of the Commercial 14 Law Article, as enacted by Section 1 of this Act, shall be construed to apply only 15 prospectively and may not be applied or interpreted to have any effect on or application to 16 any personal data processing activities before April 1, 2025.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 18 October 1, 2024.