

VERMONT DELETE ACT OVERVIEW

SUMMARY

The Vermont Delete Act creates a webpage within the Vermont Secretary of State's internet website that enables consumers to request the deletion of their personal information from each registered data brokers' records. The Act also requires data brokers to provide notice of security breaches, to certify that the personal information they disclose will be used for legitimate purposes, and to report as part of the registration process what sensitive information they collect on consumers, including reproductive healthcare data. The Act imposes civil penalties and fines on data brokers who fail to comply with registration and deletion requirements.

BACKGROUND

Data brokers are companies that collect, analyze, and sell personal information about consumers without a direct relationship with them. They aggregate data from various sources, including public records, social media platforms, and online transactions, to create detailed profiles of millions of individuals. These companies operate in the shadows but have extensive personal data dossiers on each and every Vermonter.

Data brokers are currently required to register with the Secretary of State. Still, they are not required to report what kind of information they collect and sell, nor are they required to facilitate deletion requests in a consumer-friendly and scalable manner. Furthermore, data brokers have loose requirements for reporting data breaches, and there are no guardrails to ensure that purchases of brokered personal information are for legitimate business purposes.

PROBLEM

Though data brokers are required to register with the Secretary of State, consumers must individually contact each of the hundreds of data brokers to request their information be deleted, and regularly repeat that process to account for the new information data brokers collect. Consumers cannot verify if their information has been deleted or if the data broker has ceased gathering data on the consumer. Further, data brokers are not required to disclose what kind of sensitive information they collect from consumers. This deletion process is time-consuming and practically impossible for even the most dedicated consumers, especially those with limited technology access or facing language barriers. As a result, many Vermonters cannot protect their privacy and exercise their rights effectively.

The inability to effectively delete personal information from data brokers also poses significant risks to Vermonters' privacy, safety, and well-being. Data brokers collect sensitive information related to consumers' healthcare choices, financial status, and other personal details without their knowledge or consent.

Reproductive healthcare privacy is of particular concern as data brokers collect sensitive information related to consumers' healthcare choices. With increased criminalization of abortion and gender-affirming care occurring nationwide, the potential misuse of healthcare

data could lead to harassment, discrimination, and even legal consequences for those who seek those services in Vermont.

Additionally, data brokers' practices put elderly individuals at higher risk for scams, identity theft, and financial exploitation that rely on the collection and misuse of personal information. Consumers, especially elderly consumers, have limited knowledge about the extent and nature of the information collected and sold by data brokers, leaving them vulnerable to a wide range of potential harms. In addition, data brokers currently do not have to certify that the personal information they disclose will be used for legitimate purposes, thus increasing the likelihood of consumers' personal information being used to facilitate identity theft and fraud.

SOLUTION

The Vermont Delete Act aims to address these concerns by requiring data brokers to register with the Secretary of State, disclose the types of personal information they collect (including reproductive healthcare data), provide notice of security breaches, and certify that the personal information they disclose will be used for legitimate purposes.

Furthermore, this Act requires data brokers to delete the personal information of consumers who make such a request through the use of an accessible deletion mechanism established and maintained by the Secretary of State. The accessible deletion mechanism must allow consumers to request the deletion of their personal information from data brokers' records through a single request and free of charge. Data brokers must process all pending deletion requests every 45 days, direct service providers or contractors to delete consumers' personal information, and provide a confirmation to the consumer and the Secretary of State regarding the records' deletion.

Data brokers who fail to comply with registration and deletion requirements are subject to civil penalties and administrative fines as determined by the Attorney General and the Secretary of State.

Beginning January 1, 2030, and every three years thereafter, data brokers must undergo an independent third-party audit to assess compliance with the Act and report to the Secretary of State within six months of the audit's completion. Data brokers must pay a registration fee and a fee for accessing the accessible deletion mechanism, which will be used to cover the reasonable costs of establishing and maintaining the informational internet website and accessible deletion mechanism.

By enhancing transparency and giving consumers control over their data, this bill will help protect Vermonters' privacy and mitigate the risks associated with the collection and sale of sensitive personal information by data brokers.