

REFERENCE TITLE: **personal data; processing; security standards**

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
Second Regular Session  
2020

## **HB 2729**

Introduced by  
Representatives DeGrazia: Blanc, Butler, Engel, Epstein, Gabaldón, Peten,  
Powers Hannley, Rodriguez, Salman, Sierra, Teller, Thorpe

**AN ACT**

**AMENDING TITLE 18, CHAPTER 5, ARIZONA REVISED STATUTES, BY ADDING  
ARTICLE 5; RELATING TO PERSONAL DATA.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 18, chapter 5, Arizona Revised Statutes, is  
3 amended by adding article 5, to read:

4 ARTICLE 5. DATA AND SECURITY STANDARDS

5 18-571. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "COLLECT" MEANS RECEIVING AND TAKING, INCLUDING BY AUTOMATED  
8 MEANS, ANY OPERATION OR SET OF OPERATIONS TO OBTAIN PERSONAL DATA,  
9 INCLUDING PURCHASING, LEASING, ASSEMBLING, RECORDING, GATHERING, ACQUIRING  
10 OR PROCURING PERSONAL DATA.

11 2. "CONSENT" MEANS A CLEAR, AFFIRMATIVE ACT SIGNIFYING A SPECIFIC,  
12 INFORMED AND UNAMBIGUOUS INDICATION OF A CONSUMER'S AGREEMENT TO COLLECT  
13 OR PROCESS THE CONSUMER'S PERSONAL DATA, SUCH AS BY A WRITTEN STATEMENT OR  
14 OTHER CLEAR AFFIRMATIVE ACTION.

15 3. "CONSUMER" MEANS:

16 (a) A NATURAL PERSON WHO IS A RESIDENT OF THIS STATE AND WHO IS  
17 ACTING ONLY IN AN INDIVIDUAL, NONCOMMERCIAL OR HOUSEHOLD CONTEXT.

18 (b) DOES NOT INCLUDE A NATURAL PERSON WHO IS ACTING IN A COMMERCIAL  
19 OR EMPLOYMENT CONTEXT.

20 4. "CONTROLLER" MEANS THE NATURAL OR LEGAL PERSON THAT, ALONE OR  
21 JOINTLY WITH OTHERS, DETERMINES THE PURPOSES AND MEANS OF PROCESSING  
22 PERSONAL DATA.

23 5. "DATA BROKER" MEANS A BUSINESS, OR A UNIT OR UNITS OF A  
24 BUSINESS, SEPARATELY OR TOGETHER, THAT KNOWINGLY COLLECTS AND SELLS OR  
25 LICENSES TO THIRD PARTIES THE PERSONAL INFORMATION OF A CONSUMER WITH WHOM  
26 THE BUSINESS DOES NOT HAVE A DIRECT RELATIONSHIP.

27 6. "DEIDENTIFIED DATA" MEANS:

28 (a) DATA THAT CANNOT BE LINKED TO A KNOWN NATURAL PERSON WITHOUT  
29 ADDITIONAL INFORMATION KEPT SEPARATELY.

30 (b) DATA THAT MEETS ALL OF THE FOLLOWING:

31 (i) HAS BEEN MODIFIED TO A DEGREE THAT THE RISK OF REIDENTIFICATION  
32 IS SMALL.

33 (ii) IS SUBJECT TO A PUBLIC COMMITMENT BY THE CONTROLLER NOT TO  
34 ATTEMPT TO REIDENTIFY THE DATA.

35 (iii) TO WHICH ONE OR MORE ENFORCEABLE CONTROLS TO PREVENT  
36 REIDENTIFICATION HAVE BEEN APPLIED. FOR THE PURPOSES OF THIS ITEM,  
37 "ENFORCEABLE CONTROLS" INCLUDES LEGAL, ADMINISTRATIVE, TECHNICAL OR  
38 CONTRACTUAL CONTROLS.

39 7. "DISCLOSE" MEANS TAKING ANY ACTION, WITH RESPECT TO PERSONAL  
40 DATA, INCLUDING BY AUTOMATED MEANS, TO SELL, SHARE, PROVIDE OR OTHERWISE  
41 TRANSFER PERSONAL DATA TO ANOTHER ENTITY OR PERSON OR THE GENERAL PUBLIC.

42 8. "IDENTIFIED OR IDENTIFIABLE NATURAL PERSON" MEANS A PERSON WHO  
43 CAN BE READILY IDENTIFIED, DIRECTLY OR INDIRECTLY.

- 1           9. "PERSONAL DATA" OR "PERSONAL INFORMATION":  
2           (a) MEANS ANY INFORMATION THAT IS LINKED OR REASONABLY LINKABLE TO  
3 AN IDENTIFIED OR IDENTIFIABLE NATURAL PERSON.  
4           (b) DOES NOT INCLUDE DEIDENTIFIED DATA OR PUBLICLY AVAILABLE  
5 INFORMATION.  
6           (c) INCLUDES SENSITIVE DATA.  
7           10. "PROCESS" OR "PROCESSING" MEANS COLLECTING, USING, STORING,  
8 DISCLOSING, ANALYZING, DELETING OR MODIFYING PERSONAL DATA, INCLUDING BY  
9 AUTOMATED MEANS.  
10          11. "PROCESSOR" MEANS A NATURAL OR LEGAL PERSON THAT PROCESSES  
11 PERSONAL DATA ON BEHALF OF THE CONTROLLER.  
12          12. "PROFILING" MEANS ANY FORM OF AUTOMATED PROCESSING OF PERSONAL  
13 DATA CONSISTING OF USING PERSONAL DATA TO EVALUATE CERTAIN PERSONAL  
14 ASPECTS ABOUT A NATURAL PERSON, PARTICULARLY ANALYZING OR PREDICTING  
15 ASPECTS OF THAT NATURAL PERSON'S ECONOMIC SITUATION, HEALTH, PERSONAL  
16 PREFERENCES, INTERESTS, RELIABILITY, BEHAVIOR, LOCATION OR MOVEMENTS.  
17          13. "RESTRICTION OF PROCESSING" MEANS MARKING STORED PERSONAL DATA  
18 WITH THE AIM OF LIMITING THE PROCESSING OF SUCH PERSONAL DATA IN THE  
19 FUTURE.  
20          14. "SALE":  
21          (a) MEANS THE EXCHANGE OF PERSONAL DATA FOR MONETARY CONSIDERATION  
22 BY THE CONTROLLER TO A THIRD PARTY, INCLUDING FOR THE PURPOSES OF  
23 LICENSING OR SELLING PERSONAL DATA AT THE THIRD PARTY'S DISCRETION TO  
24 ADDITIONAL THIRD PARTIES.  
25          (b) DOES NOT INCLUDE EITHER OF THE FOLLOWING:  
26          (i) DISCLOSING PERSONAL DATA TO A PROCESSOR THAT PROCESSES THE  
27 PERSONAL DATA ON BEHALF OF THE CONTROLLER.  
28          (ii) DISCLOSING PERSONAL DATA TO A THIRD PARTY WITH WHOM THE  
29 CONSUMER HAS A DIRECT RELATIONSHIP FOR PURPOSES OF PROVIDING A PRODUCT OR  
30 SERVICE REQUESTED BY THE CONSUMER OR OTHERWISE IN A MANNER THAT IS  
31 CONSISTENT WITH A CONSUMER'S REASONABLE EXPECTATIONS CONSIDERING THE  
32 CONTEXT IN WHICH THE CONSUMER PROVIDED THE PERSONAL DATA TO THE  
33 CONTROLLER.  
34          15. "SENSITIVE DATA" MEANS:  
35          (a) PERSONAL DATA THAT REVEALS RACIAL OR ETHNIC ORIGINS, RELIGIOUS  
36 BELIEFS, MENTAL, PHYSICAL, BEHAVIORAL OR PSYCHOLOGICAL HEALTH CONDITIONS  
37 OR DIAGNOSES OR SEX LIFE OR SEXUAL ORIENTATION.  
38          (b) THE PROCESSING OF GENETIC OR BIOMETRIC DATA FOR THE PURPOSE OF  
39 UNIQUELY IDENTIFYING A NATURAL PERSON.  
40          (c) THE PRECISE GEOLOCATION INFORMATION OF A DEVICE ASSOCIATED WITH  
41 AN INDIVIDUAL.  
42          (d) THE PERSONAL DATA OF A KNOWN CHILD.  
43          16. "TARGETED ADVERTISING":  
44          (a) MEANS DISPLAYING TO A CONSUMER ADVERTISEMENTS THAT ARE SELECTED  
45 BASED ON PERSONAL DATA OBTAINED OR INFERRED OVER TIME FROM THE CONSUMER'S

1 ACTIVITIES ACROSS NONAFFILIATED WEBSITES, APPLICATIONS OR ONLINE SERVICES  
2 TO PREDICT USER PREFERENCES OR INTERESTS.

3 (b) DOES NOT INCLUDE ADVERTISING TO A CONSUMER BASED ON THE  
4 CONSUMER'S VISITS TO A WEBSITE, APPLICATION OR ONLINE SERVICE THAT A  
5 REASONABLE CONSUMER WOULD BELIEVE TO BE ASSOCIATED WITH THE PUBLISHER IN  
6 WHICH THE ADVERTISING IS PLACED BASED ON COMMON BRANDING, TRADEMARKS OR  
7 OTHER INDICIA OF COMMON OWNERSHIP OR IN RESPONSE TO THE CONSUMER'S REQUEST  
8 FOR INFORMATION OR FEEDBACK.

9 17. "VERIFIED REQUEST" MEANS THE PROCESS THROUGH WHICH A CONSUMER  
10 MAY SUBMIT A REQUEST TO EXERCISE A RIGHT OR RIGHTS SET FORTH IN THIS  
11 ARTICLE AND BY WHICH A CONTROLLER CAN REASONABLY AUTHENTICATE THE REQUEST  
12 AND THE CONSUMER MAKING THE REQUEST USING COMMERCIALY REASONABLE MEANS.

13 18-572. Consumer rights; access to personal data; verified  
14 requests; controller's duty

15 A. A CONTROLLER SHALL FACILITATE VERIFIED REQUESTS FROM CONSUMERS  
16 TO EXERCISE CONSUMER RIGHTS AS FOLLOWS:

17 1. ON RECEIPT OF A VERIFIED REQUEST FROM A CONSUMER, A CONTROLLER  
18 SHALL NOTIFY THE CONSUMER WHETHER PERSONAL DATA CONCERNING THE CONSUMER IS  
19 BEING PROCESSED, HELD OR SOLD TO DATA BROKERS. IF PERSONAL DATA IS BEING  
20 SOLD TO DATA BROKERS, THE CONTROLLER SHALL NOTIFY THE CONSUMER OF THE TYPE  
21 AND CATEGORY OF PERSONAL DATA THAT HAS BEEN SOLD AND TO WHOM THE PERSONAL  
22 DATA HAS BEEN SOLD.

23 2. ON RECEIPT OF A VERIFIED REQUEST FOR DISCLOSURE FROM A CONSUMER,  
24 IF PERSONAL DATA CONCERNING THE CONSUMER IS BEING PROCESSED OR HELD BY THE  
25 CONTROLLER, THE CONTROLLER SHALL PROVIDE A COPY OF THE PERSONAL DATA THAT  
26 THE CONTROLLER PROCESSES OR MAINTAINS OR PROVIDE THE CATEGORY OR TYPE OF  
27 PERSONAL INFORMATION THAT IS KEPT IF A COPY IS UNAVAILABLE OR  
28 UNATTAINABLE. IF THE CONSUMER MAKES THE REQUEST BY ELECTRONIC MEANS, AND  
29 UNLESS REQUESTED BY THE CONSUMER, THE INFORMATION MUST BE PROVIDED IN A  
30 COMMONLY USED ELECTRONIC FORM. FOR ANY ADDITIONAL COPIES REQUESTED BY THE  
31 CONSUMER, THE CONTROLLER MAY CHARGE A REASONABLE FEE BASED ON  
32 ADMINISTRATIVE COSTS.

33 3. A CONTROLLER THAT COLLECTS A CONSUMER'S PERSONAL DATA, AT OR  
34 BEFORE THE POINT OF COLLECTION, SHALL INFORM THE CONSUMER OF THE  
35 CATEGORIES OF PERSONAL DATA TO BE COLLECTED AND THE PURPOSES FOR WHICH THE  
36 CATEGORIES OF PERSONAL DATA WILL BE USED. A CONTROLLER MAY NOT COLLECT  
37 ADDITIONAL CATEGORIES OF PERSONAL DATA OR USE PERSONAL DATA COLLECTED FOR  
38 ADDITIONAL PURPOSES WITHOUT PROVIDING THE CONSUMER WITH NOTICE CONSISTENT  
39 WITH THIS SECTION.

40 4. A CONTROLLER SHALL PROVIDE THE INFORMATION SPECIFIED IN THIS  
41 SUBSECTION TO A CONSUMER ONLY ON RECEIPT OF A VERIFIED REQUEST.

42 B. THIS SECTION DOES NOT REQUIRE A CONTROLLER TO:

43 1. RETAIN ANY PERSONAL DATA COLLECTED FOR A SINGLE, ONETIME  
44 TRANSACTION IF THE INFORMATION IS NOT SOLD OR RETAINED BY THE CONTROLLER.



1 E. IF A CONTROLLER IS REQUIRED TO DELETE PERSONAL DATA THAT THE  
2 CONTROLLER MAINTAINS IN IDENTIFIABLE FORM THAT HAS BEEN DISCLOSED TO THIRD  
3 PARTIES BY THE CONTROLLER, INCLUDING DATA BROKERS THAT RECEIVED THE  
4 PERSONAL DATA THROUGH A SALE, THE CONTROLLER SHALL TAKE REASONABLE STEPS  
5 TO INFORM OTHER CONTROLLERS OF WHICH IT IS AWARE THAT ARE PROCESSING SUCH  
6 PERSONAL DATA AND THAT RECEIVED SUCH PERSONAL DATA FROM THE CONTROLLER OR  
7 ARE PROCESSING SUCH PERSONAL DATA ON BEHALF OF THE CONTROLLER THAT THE  
8 CONSUMER HAS REQUESTED THE DELETION BY THE OTHER CONTROLLERS OF ANY LINK  
9 TO OR COPY OR REPLICATION OF THE PERSONAL DATA. COMPLIANCE WITH THIS  
10 SUBSECTION MUST TAKE INTO ACCOUNT AVAILABLE TECHNOLOGY AND COST OF  
11 IMPLEMENTATION.

12 F. THIS SECTION DOES NOT APPLY TO THE EXTENT PROCESSING IS  
13 NECESSARY:

14 1. FOR EXERCISING THE RIGHT OF FREE SPEECH.

15 2. FOR COMPLIANCE WITH A LEGAL OBLIGATION THAT REQUIRES PROCESSING  
16 OF PERSONAL DATA BY A FEDERAL, STATE OR LOCAL LAW OR REGULATION TO WHICH  
17 THE CONTROLLER IS SUBJECT OR FOR PERFORMING A TASK CARRIED OUT IN THE  
18 PUBLIC INTEREST OR IN EXERCISING OFFICIAL AUTHORITY VESTED IN THE  
19 CONTROLLER.

20 3. FOR REASONS OF PUBLIC INTEREST IN THE AREA OF PUBLIC HEALTH, IF  
21 THE PROCESSING IS BOTH OF THE FOLLOWING:

22 (a) SUBJECT TO SUITABLE AND SPECIFIC MEASURES TO SAFEGUARD THE  
23 RIGHTS OF THE CONSUMER.

24 (b) UNDER THE RESPONSIBILITY OF A PROFESSIONAL SUBJECT TO  
25 CONFIDENTIALITY OBLIGATIONS UNDER A FEDERAL, STATE OR LOCAL LAW OR  
26 REGULATION.

27 4. FOR ARCHIVING PURPOSES IN THE PUBLIC INTEREST, SCIENTIFIC OR  
28 HISTORICAL RESEARCH PURPOSES OR STATISTICAL PURPOSES, IF DELETING SUCH  
29 PERSONAL DATA IS LIKELY TO RENDER IMPOSSIBLE OR SERIOUSLY IMPAIR THE  
30 ACHIEVEMENT OF THE OBJECTIVES OF THE PROCESSING.

31 5. FOR ESTABLISHING, EXERCISING OR DEFENDING LEGAL CLAIMS.

32 6. TO DETECT OR RESPOND TO SECURITY INCIDENTS, PROTECT AGAINST  
33 MALICIOUS, DECEPTIVE, FRAUDULENT OR ILLEGAL ACTIVITY OR IDENTIFY,  
34 INVESTIGATE OR PROSECUTE THOSE RESPONSIBLE FOR THAT ACTIVITY.

35 18-574. Restriction of processing: request: requirements

36 A. ON RECEIPT OF A VERIFIED REQUEST FROM A CONSUMER, THE CONTROLLER  
37 SHALL RESTRICT PROCESSING OF PERSONAL DATA IF ANY OF THE FOLLOWING  
38 APPLIES:

39 1. THE ACCURACY OF THE PERSONAL DATA IS CONTESTED BY THE CONSUMER,  
40 FOR A PERIOD ENABLING THE CONTROLLER TO VERIFY THE ACCURACY OF THE  
41 PERSONAL DATA.

42 2. THE PROCESSING IS UNLAWFUL AND THE CONSUMER OPPOSES THE DELETION  
43 OF THE PERSONAL DATA AND REQUESTS THE RESTRICTION OF PROCESSING INSTEAD.

1           3. THE CONTROLLER NO LONGER NEEDS THE PERSONAL DATA FOR THE  
2 PURPOSES OF THE PROCESSING BUT SUCH PERSONAL DATA IS REQUIRED BY THE  
3 CONSUMER FOR ESTABLISHING, EXERCISING OR DEFENDING LEGAL CLAIMS.

4           4. THE CONSUMER OBJECTS TO THE PROCESSING PENDING THE VERIFICATION  
5 OF WHETHER THE LEGITIMATE GROUNDS OF THE CONTROLLER OVERRIDE THOSE OF THE  
6 CONSUMER.

7           B. IF PERSONAL DATA IS SUBJECT TO A RESTRICTION OF PROCESSING UNDER  
8 THIS SECTION, THE PERSONAL DATA, EXCEPT FOR STORAGE, MAY BE PROCESSED ONLY  
9 AS FOLLOWS:

10           1. WITH THE CONSUMER'S CONSENT.

11           2. TO ESTABLISH, EXERCISE OR DEFEND LEGAL CLAIMS.

12           3. TO PROTECT THE RIGHTS OF ANOTHER NATURAL OR LEGAL PERSON.

13           4. FOR REASONS OF IMPORTANT PUBLIC INTEREST UNDER A FEDERAL, STATE  
14 OR LOCAL LAW OR REGULATION.

15           C. THE CONTROLLER SHALL INFORM A CONSUMER WHO HAS OBTAINED  
16 RESTRICTION OF PROCESSING PURSUANT TO THIS SECTION BEFORE THE RESTRICTION  
17 OF PROCESSING IS LIFTED AND THE PROPOSED LEGAL BASIS.

18           18-575. Receiving personal data: request

19           A. ON A VERIFIED REQUEST FROM A CONSUMER, THE CONTROLLER SHALL  
20 PROVIDE TO THE CONSUMER, IF TECHNICALLY FEASIBLE AND COMMERCIALY  
21 REASONABLE, ANY PERSONAL DATA THAT THE CONTROLLER MAINTAINS IN  
22 IDENTIFIABLE FORM CONCERNING THE CONSUMER THAT THE CONSUMER HAS PROVIDED  
23 TO THE CONTROLLER IN A STRUCTURED, COMMONLY USED AND MACHINE-READABLE  
24 FORMAT:

25           1. IF PROCESSING THE PERSONAL DATA IS NECESSARY TO PERFORM A  
26 CONTRACT TO WHICH THE CONSUMER IS A PARTY.

27           2. IN ORDER TO TAKE STEPS AT THE REQUEST OF THE CONSUMER BEFORE  
28 ENTERING INTO A CONTRACT.

29           3. IF THE PROCESSING IS CARRIED OUT BY AUTOMATED MEANS.

30           B. REQUESTS FOR PERSONAL DATA UNDER THIS SECTION MUST BE WITHOUT  
31 PREJUDICE TO THE CONSUMER'S RIGHT TO DELETE.

32           C. THE RIGHTS PROVIDED IN THIS SECTION DO NOT APPLY TO PROCESSING  
33 NECESSARY TO PERFORM A TASK CARRIED OUT IN THE PUBLIC INTEREST OR TO  
34 EXERCISE OFFICIAL AUTHORITY VESTED IN THE CONTROLLER AND MUST NOT  
35 ADVERSELY AFFECT THE RIGHTS OF OTHERS.

36           18-576. Objection to processing of personal data

37           A. A CONSUMER MAY OBJECT, THROUGH A VERIFIED OBJECTION, AT ANY  
38 TIME, TO THE PROCESSING OF PERSONAL DATA CONCERNING THE CONSUMER.

39           B. ON RECEIPT OF A CONSUMER'S VERIFIED OBJECTION TO PROCESSING THE  
40 CONSUMER'S PERSONAL DATA FOR TARGETED ADVERTISING, WHICH INCLUDES THE SALE  
41 OF PERSONAL DATA THAT CONCERNS THE CONSUMER TO THIRD PARTIES FOR PURPOSES  
42 OF TARGETED ADVERTISING, THE CONTROLLER MAY NOT PROCESS THE PERSONAL DATA  
43 SUBJECT TO THE OBJECTION FOR SUCH PURPOSE AND SHALL TAKE REASONABLE STEPS  
44 TO COMMUNICATE THE CONSUMER'S OBJECTION, UNLESS IT PROVES IMPOSSIBLE OR  
45 INVOLVES DISPROPORTIONATE EFFORT, REGARDING ANY FURTHER PROCESSING OF THE

1 CONSUMER'S PERSONAL DATA FOR THE PURPOSES TO ANY THIRD PARTIES TO WHOM THE  
2 CONTROLLER SOLD THE CONSUMER'S PERSONAL DATA FOR THAT PURPOSE. THIRD  
3 PARTIES SHALL HONOR OBJECTION REQUESTS PURSUANT TO THIS SECTION RECEIVED  
4 FROM THIRD-PARTY CONTROLLERS.

5 C. IF A CONSUMER OBJECTS TO PROCESSING FOR ANY PURPOSE OTHER THAN  
6 TARGETED ADVERTISING, THE CONTROLLER MAY CONTINUE PROCESSING THE PERSONAL  
7 DATA SUBJECT TO THE OBJECTION IF THE CONTROLLER CAN DEMONSTRATE A  
8 LEGITIMATE GROUND TO PROCESS THAT PERSONAL DATA THAT OVERRIDES THE  
9 POTENTIAL RISKS TO THE RIGHTS OF THE CONSUMER ASSOCIATED WITH THE  
10 PROCESSING OR IF ANOTHER EXEMPTION IN THIS ARTICLE APPLIES.

11 18-577. Controller's responsibilities; exceptions

12 A. A CONTROLLER SHALL COMMUNICATE ANY CORRECTION, DELETION OR  
13 RESTRICTION OF PROCESSING CARRIED OUT IN ACCORDANCE WITH THIS ARTICLE TO  
14 EACH THIRD-PARTY RECIPIENT TO WHOM THE CONTROLLER KNOWS THE PERSONAL DATA  
15 HAS BEEN DISCLOSED, INCLUDING THIRD PARTIES THAT RECEIVED THE DATA THROUGH  
16 A SALE, WITHIN ONE YEAR PRECEDING THE VERIFIED REQUEST UNLESS THIS PROVES  
17 FUNCTIONALLY IMPRACTICAL OR TECHNICALLY INFEASIBLE OR INVOLVES  
18 DISPROPORTIONATE EFFORT OR THE CONTROLLER KNOWS OR IS INFORMED BY THE  
19 THIRD PARTY THAT THE THIRD PARTY IS NOT CONTINUING TO USE THE PERSONAL  
20 DATA.

21 B. A CONTROLLER SHALL PROVIDE INFORMATION ON ACTION TAKEN ON A  
22 VERIFIED REQUEST UNDER THIS SECTION WITHOUT UNDUE DELAY AND WITHIN THIRTY  
23 DAYS AFTER RECEIPT OF THE REQUEST. THE TIME PERIOD MAY BE EXTENDED BY  
24 SIXTY ADDITIONAL DAYS IF REASONABLY NECESSARY, TAKING INTO ACCOUNT THE  
25 COMPLEXITY AND NUMBER OF THE REQUESTS. THE CONTROLLER SHALL INFORM THE  
26 CONSUMER OF ANY SUCH EXTENSION WITHIN THIRTY CALENDAR DAYS AFTER RECEIPT  
27 OF THE VERIFIED OR VALIDATED REQUEST, TOGETHER WITH THE REASONS FOR THE  
28 DELAY. IF THE CONSUMER MAKES THE VERIFIED OR VALIDATED REQUEST BY  
29 ELECTRONIC MEANS, THE INFORMATION MUST BE PROVIDED BY ELECTRONIC MEANS IF  
30 POSSIBLE, UNLESS OTHERWISE REQUESTED BY THE CONSUMER.

31 C. IF A CONTROLLER DOES NOT TAKE ACTION ON THE REQUEST OF A  
32 CONSUMER, THE CONTROLLER SHALL INFORM THE CONSUMER WITHOUT UNDUE DELAY AND  
33 AT THE LATEST WITHIN THIRTY DAYS AFTER RECEIPT OF THE REQUEST OF THE  
34 REASONS FOR NOT TAKING ACTION AND ANY POSSIBILITY FOR INTERNAL REVIEW OF  
35 THE DECISION BY THE CONTROLLER.

36 D. THE CONTROLLER SHALL PROVIDE INFORMATION UNDER THIS SECTION FREE  
37 OF CHARGE TO THE CONSUMER. IF REQUESTS FROM A CONSUMER ARE MANIFESTLY  
38 UNFOUNDED OR EXCESSIVE, IN PARTICULAR BECAUSE OF THEIR REPETITIVE  
39 CHARACTER, THE CONTROLLER MAY EITHER:

40 1. CHARGE A REASONABLE FEE TAKING INTO ACCOUNT THE ADMINISTRATIVE  
41 COSTS OF PROVIDING THE INFORMATION OR COMMUNICATION OR TAKING THE ACTION  
42 REQUESTED.

43 2. REFUSE TO ACT ON THE REQUEST. THE CONTROLLER BEARS THE BURDEN OF  
44 DEMONSTRATING THE MANIFESTLY UNFOUNDED OR EXCESSIVE CHARACTER OF THE

1 REQUEST AND MUST DETAIL THE CATEGORIES OR TYPES OF PERSONAL INFORMATION  
2 AND THE EXCESSIVE CHARACTER OR NATURE OF THE REQUEST.

3 E. IF THE CONTROLLER HAS REASONABLE DOUBTS CONCERNING THE IDENTITY  
4 OF THE CONSUMER MAKING A REQUEST UNDER THIS SECTION, THE CONTROLLER MAY  
5 REQUEST ADDITIONAL INFORMATION NECESSARY TO CONFIRM THE IDENTITY OF THE  
6 CONSUMER.

7 F. A CONSUMER IS NOT SUBJECT TO A DECISION BASED SOLELY ON  
8 PROFILING THAT PRODUCES LEGAL EFFECTS CONCERNING THE CONSUMER OR THAT  
9 SIMILARLY SIGNIFICANTLY AFFECTS THE CONSUMER. LEGAL OR SIMILARLY  
10 SIGNIFICANT EFFECTS INCLUDE DENIAL OF CONSEQUENTIAL SERVICES OR SUPPORT,  
11 SUCH AS FINANCIAL AND LENDING SERVICES, HOUSING, INSURANCE, EDUCATION  
12 ENROLLMENT, CRIMINAL JUSTICE, EMPLOYMENT OPPORTUNITIES AND HEALTH CARE  
13 SERVICES.

14 G. THIS SECTION DOES NOT APPLY IF THE DECISION IS:

15 1. NECESSARY FOR ENTERING INTO OR PERFORMING A CONTRACT BETWEEN THE  
16 CONSUMER AND A CONTROLLER.

17 2. AUTHORIZED BY A FEDERAL, STATE OR LOCAL LAW OR REGULATION TO  
18 WHICH THE CONTROLLER IS SUBJECT AND THAT INCORPORATES SUITABLE MEASURES TO  
19 SAFEGUARD THE CONSUMER'S RIGHTS AND LEGITIMATE INTERESTS, AS INDICATED BY  
20 THE RISK ASSESSMENTS REQUIRED BY THIS ARTICLE.

21 3. BASED ON THE CONSUMER'S INFORMED CONSENT.

22 H. NOTWITHSTANDING SUBSECTION G OF THIS SECTION, THE CONTROLLER  
23 SHALL IMPLEMENT SUITABLE MEASURES TO SAFEGUARD CONSUMER RIGHTS AND  
24 LEGITIMATE INTERESTS WITH RESPECT TO DECISIONS BASED SOLELY ON PROFILING,  
25 INCLUDING PROVIDING HUMAN REVIEW OF THE DECISION, TO EXPRESS THE  
26 CONSUMER'S POINT OF VIEW WITH RESPECT TO THE DECISION AND TO CONTEST THE  
27 DECISION.

28 18-578. Enforcement; violation; civil penalty; consumer  
29 privacy fund

30 A. THE ATTORNEY GENERAL MAY BRING AN ACTION IN THE NAME OF THIS  
31 STATE, OR AS PARENS PATRIAE, ON BEHALF OF PERSONS RESIDING IN THIS STATE,  
32 TO ENFORCE THIS ARTICLE.

33 B. A CONTROLLER OR PROCESSOR VIOLATES THIS ARTICLE IF THE  
34 CONTROLLER OR PROCESSOR FAILS TO CURE ANY ALLEGED BREACH OF THIS ARTICLE  
35 WITHIN THIRTY DAYS AFTER RECEIVING NOTICE OF ALLEGED NONCOMPLIANCE. ANY  
36 CONTROLLER OR PROCESSOR THAT VIOLATES THIS ARTICLE IS SUBJECT TO AN  
37 INJUNCTION AND IS LIABLE FOR A CIVIL PENALTY OF NOT MORE THAN \$2,500 FOR  
38 EACH VIOLATION OR \$7,500 FOR EACH INTENTIONAL VIOLATION.

39 C. THE CONSUMER PRIVACY FUND IS ESTABLISHED CONSISTING OF CIVIL  
40 PENALTIES IMPOSED UNDER THIS ARTICLE. THE ATTORNEY GENERAL SHALL  
41 ADMINISTER THE FUND. THE FUND IS SUBJECT TO LEGISLATIVE APPROPRIATION.

42 18-579. State preemption

43 THE REGULATION OF DATA SECURITY IS OF STATEWIDE CONCERN. THE  
44 REGULATION OF DATA SECURITY PURSUANT TO THIS ARTICLE SUPERSEDES ANY LOCAL

1 LAW OR REGULATION AND IS NOT SUBJECT TO FURTHER REGULATION BY A COUNTY,  
2 CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THIS STATE.

3 18-580. Exceptions

4 A. THE OBLIGATIONS IMPOSED ON CONTROLLERS OR PROCESSORS UNDER THIS  
5 ARTICLE DO NOT RESTRICT A CONTROLLER'S OR PROCESSOR'S ABILITY TO DO ANY OF  
6 THE FOLLOWING:

7 1. COMPLY WITH FEDERAL, STATE OR LOCAL LAWS AND REGULATIONS.

8 2. COMPLY WITH A CIVIL, CRIMINAL OR REGULATORY INQUIRY,  
9 INVESTIGATION, SUBPOENA OR SUMMONS BY A FEDERAL, STATE, LOCAL OR OTHER  
10 GOVERNMENTAL AUTHORITY.

11 3. COOPERATE WITH LAW ENFORCEMENT AGENCIES CONCERNING CONDUCT OR  
12 ACTIVITY THAT THE CONTROLLER OR PROCESSOR REASONABLY AND IN GOOD FAITH  
13 BELIEVES MAY VIOLATE A FEDERAL, STATE OR LOCAL LAW OR REGULATION.

14 4. INVESTIGATE, EXERCISE OR DEFEND LEGAL CLAIMS.

15 5. PREVENT OR DETECT IDENTITY THEFT, FRAUD OR OTHER CRIMINAL  
16 ACTIVITY OR VERIFY IDENTITIES.

17 B. THE OBLIGATIONS IMPOSED ON CONTROLLERS AND PROCESSORS UNDER THIS  
18 ARTICLE DO NOT APPLY IF COMPLIANCE BY THE CONTROLLER OR PROCESSOR WITH  
19 THIS ARTICLE WOULD VIOLATE AN EVIDENTIARY PRIVILEGE UNDER THE LAWS OF THIS  
20 STATE AND DO NOT PREVENT THE CONTROLLER OR PROCESSOR FROM PROVIDING  
21 PERSONAL DATA CONCERNING A CONSUMER TO A PERSON COVERED BY AN EVIDENTIARY  
22 PRIVILEGE UNDER THE LAWS OF THIS STATE AS PART OF A PRIVILEGED  
23 COMMUNICATION.

24 C. A CONTROLLER OR PROCESSOR THAT DISCLOSES PERSONAL DATA TO A  
25 THIRD-PARTY CONTROLLER OR PROCESSOR IN COMPLIANCE WITH THE REQUIREMENTS OF  
26 THIS ARTICLE IS NOT IN VIOLATION OF THIS ARTICLE IF THE THIRD-PARTY  
27 RECIPIENT PROCESSES THE PERSONAL DATA IN VIOLATION OF THIS ARTICLE, IF AT  
28 THE TIME OF DISCLOSING THE PERSONAL DATA THE DISCLOSING CONTROLLER OR  
29 PROCESSOR DID NOT HAVE ACTUAL KNOWLEDGE THAT THE THIRD-PARTY RECIPIENT  
30 INTENDED TO COMMIT A VIOLATION. A THIRD-PARTY RECIPIENT THAT RECEIVES  
31 PERSONAL DATA FROM A CONTROLLER OR PROCESSOR IS LIKEWISE NOT LIABLE UNDER  
32 THIS ARTICLE FOR THE OBLIGATIONS OF A CONTROLLER OR PROCESSOR TO WHICH IT  
33 PROVIDES SERVICES.

34 D. THIS ARTICLE DOES NOT REQUIRE A CONTROLLER OR PROCESSOR TO DO  
35 ANY OF THE FOLLOWING:

36 1. REIDENTIFY DEIDENTIFIED DATA.

37 2. RETAIN PERSONAL DATA CONCERNING A CONSUMER THAT IT WOULD NOT  
38 OTHERWISE RETAIN IN THE ORDINARY COURSE OF BUSINESS.

39 3. COMPLY WITH A REQUEST TO EXERCISE ANY OF THE RIGHTS OF THIS  
40 ARTICLE IF THE CONTROLLER IS UNABLE TO VERIFY, USING COMMERCIALY  
41 REASONABLE EFFORTS, THE IDENTITY OF THE CONSUMER MAKING THE REQUEST.

42 4. RETAIN PERSONAL DATA BEYOND EXISTING LEGAL OBLIGATIONS, RULES OR  
43 LAWS.

1 E. OBLIGATIONS IMPOSED ON CONTROLLERS AND PROCESSORS UNDER THIS  
2 ARTICLE DO NOT:  
3 1. ADVERSELY AFFECT THE RIGHTS OF ANY PERSONS.  
4 2. APPLY TO PROCESSING PERSONAL DATA BY A NATURAL PERSON IN THE  
5 COURSE OF A PURELY PERSONAL OR HOUSEHOLD ACTIVITY.  
6 18-581. Liability  
7 A. THIS ARTICLE DOES NOT SERVE AS THE BASIS FOR A PRIVATE RIGHT OF  
8 ACTION UNDER THIS ARTICLE OR ANY OTHER LAW.  
9 B. IF MORE THAN ONE CONTROLLER OR PROCESSOR, OR BOTH A CONTROLLER  
10 AND A PROCESSOR, INVOLVED IN THE SAME PROCESSING ARE IN VIOLATION OF THIS  
11 ARTICLE, THE LIABILITY SHALL BE ALLOCATED AMONG THE PARTIES ACCORDING TO  
12 PRINCIPLES OF COMPARATIVE FAULT, UNLESS SUCH LIABILITY IS OTHERWISE  
13 ALLOCATED BY CONTRACT AMONG THE PARTIES.  
14 18-582. Applicability  
15 A. THIS ARTICLE APPLIES TO A LEGAL ENTITY WITH AN ANNUAL GROSS  
16 REVENUE OF AT LEAST \$25,000,000 THAT CONDUCTS BUSINESS IN THIS STATE OR  
17 PRODUCES PRODUCTS OR SERVICES THAT ARE INTENTIONALLY TARGETED TO RESIDENTS  
18 OF THIS STATE AND THAT SATISFIES EITHER OF THE FOLLOWING THRESHOLDS:  
19 1. CONTROLS OR PROCESSES DATA OF AT LEAST ONE HUNDRED THOUSAND  
20 CONSUMERS.  
21 2. DERIVES OVER THIRTY-FIVE PERCENT OF GROSS REVENUE FROM THE SALE  
22 OF PERSONAL INFORMATION AND PROCESSES OR CONTROLS PERSONAL INFORMATION OF  
23 AT LEAST TWENTY-FIVE THOUSAND CONSUMERS.  
24 B. THIS ARTICLE DOES NOT APPLY TO:  
25 1. STATE AND LOCAL GOVERNMENTS.  
26 2. PERSONAL DATA SETS TO THE EXTENT THAT THE DATA SETS ARE  
27 REGULATED BY THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF  
28 1996 (P.L. 104-191), THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND  
29 CLINICAL HEALTH ACT (P.L. 111-5) OR THE GRAMM-LEACH-BLILEY ACT OF 1999  
30 (P.L. 106-102).  
31 3. DATA SETS THAT ARE MAINTAINED FOR EMPLOYMENT RECORDS PURPOSES.  
32 4. BUSINESSES AND ACTIVITIES THAT ARE COVERED BY THE FAIR CREDIT  
33 REPORTING ACT (P.L. 90-321).