



March 28, 2024

Honorable Jacquelyn Baginski  
Chairwoman, House Innovation, Internet and Technology Committee  
Rhode Island State House  
Providence, RI 02903

RE: H.7787, An Act Relating to Commercial Law – General Regulatory Provisions – Rhode Island Data Transparency and Privacy Protection Act

Chairwoman Baginski and Committee Members,

The undersigned members of the Rhode Island Business Coalition wish to register our opposition to H.7787, An Act Relating to Commercial Law – General Regulatory Provisions – Rhode Island Data Transparency and Privacy Protection Act.

H.7787 creates a system for interacting with customers when certain data is collected and shared or sold to third party entities. The legislation's early definitions of "business associate" and "covered entity" tend to suggest the bill might only apply to health care entities, but the remainder of the legislation, including the exemptions suggest the requirements in H.7787 are meant to address all businesses.

Assuming the requirements apply to all, the RI Business Coalition has the following concerns:

1. Rhode Island law may only encapsulate Rhode Island residents which means businesses operating in more than one state will be required to establish multiple systems for multiple states. This adds confusion and cost, and in some cases, could push a business to forgo operating in Rhode Island to the detriment of our residents and our businesses.
2. H.7787 requires businesses that share or sell information to create a customer agreement or post "in a conspicuous location" on its website the categories of personal data collected, the categories of third parties to whom the data is disclosed, the details of an appeals process to address times when the company's controller denies a customer request, the purpose of the collection of the personal data, an email where a customer can reach the controller and disclose "clearly and conspicuously" whether the personal data is sold for targeted advertising purposes. This is a great deal of information to include on a website and to ensure a customer sees it as "conspicuous."
3. The bill states that a controller shall limit the collection of personal data to data that is "adequate, relevant and reasonably necessary in relation to the purposes for which data is processed." It appears that courts will ultimately have to be decided on a case-by-case basis as to what is adequate and relevant to businesses in many different industries.
4. Customers have right to consent to data collection, revoke previous consents, correct what they see as inaccurate information and delete personal data. We are not sure if it is technically feasible to alter records retroactively.

5. Violations of the new law include penalties under the deceptive trade practice statute (misdemeanor, fine of \$500 and a civil penalty of up to \$10,000 per violation) and an additional penalty of 100 - \$500 for each disclosure if the action is determined to be intentional

H.7787 is very comprehensive. The Coalition urges the committee to refrain from making Rhode Island an outlier in an issue that is a national issue and to take no further action on this bill.

Sincerely,

Associated Builders and Contractors, Rhode Island

East Greenwich Chamber of Commerce

Energy Marketers Association Rhode Island

National Federation of Independent Business

North Kingstown Chamber of Commerce

Rhode Island Association of REALTORS®

Rhode Island Beverage Association

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Mortgage Bankers Association

Rhode Island Partnership for Home Care

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Society of Certified Public Accountants

Rhode Island Staffing Association

Sustainable Benefits Strategies, LLC