[Fifth Reprint]

SENATE, No. 332

STATE OF NEW JERSEY

220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

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SYNOPSIS

Requires notification to consumers of collection and disclosure of personal data by certain entities.

CURRENT VERSION OF TEXT

As reported by the Assembly Judiciary Committee on December 18, 2023, with amendments.



(Sponsorship Updated As Of: 2/2/2023)

AN ACT concerning ⁴[commercial Internet websites] online

services⁴, consumers, and ⁵[personally identifiable information]

personal data⁵ and supplementing Title 56 of the Revised

Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

⁵[1. As used in P.L. , c. (C.) (pending before the Legislature as this bill):

"Affiliate" means a legal entity that controls, is controlled by, or is under common control with another legal entity.

⁴"Business" means a sole proprietorship, partnership, limited liability company, corporation, association, or other legal entity that is organized or operated for the profit or financial benefit of its shareholders or other owners, that collects consumers' personal information. "Business" does not include non-profit organizations. ⁴

⁴["Commercial Internet website" means a website operated for business purposes, including, but not limited to, the sale of goods and services, which collects and maintains personally identifiable information from a consumer.]

"Consumer" means an identified person who is a resident of this State acting ²[only]² ³only³ in an individual ³[², job seeking,²]³ or household context. "Consumer" shall not include a person ³[²otherwise²]³ acting in a commercial or employment context.

"De-identified data" means: data that cannot be linked to a consumer without additional information that is kept separately; or data that has been modified to a degree that the risk of reidentification, consistent with guidance from the Federal Trade Commission and the National Institute of Standards and Technology, is small, as determined by the Director of the Division of Consumer Affairs in the Department of Law and Public Safety pursuant to section ³[8] 9³ of P.L., c. (C.) (pending before the Legislature as this bill), that is subject to a public commitment by the operator not to attempt to re-identify the data, and to which one or more enforceable controls to prevent re-identification has been applied, which may include legal, administrative, technical, or contractual controls.

"Designated request address" means an electronic mail address, Internet website, or toll-free telephone number that a consumer may use to request the information required to be provided pursuant to section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined \underline{thus} is new matter.

 $[\]label{lem:matter} \textbf{Matter enclosed in superscript numerals has been adopted as follows:}$

¹Senate floor amendments adopted August 8, 2022.

²Senate floor amendments adopted November 21, 2022.

³Senate floor amendments adopted December 19, 2022. ⁴Assembly AST committee amendments adopted May 11, 2023.

⁵Assembly AJU committee amendments adopted December 18, 2023.

"Disclose" means to release, transfer, share, disseminate, make available, or otherwise communicate ²[orally,]² ³ orally,³ in writing, or by electronic or any other means ³[²,²]³ ⁴ by an operator ⁴ to a third party a consumer's personally identifiable information. "Disclose" shall not include:

the disclosure of a consumer's personally identifiable information by an operator to a third party under a written contract authorizing the third party to use the personally identifiable information to perform services on behalf of the operator, including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying consumer information, processing payments, providing financing, or similar services, but only if the contract prohibits the third party from using the personally identifiable information for any reason other than performing the specified service on behalf of the operator and from disclosing personally identifiable information to additional third parties unless expressly authorized by the consumer;

the disclosure of personally identifiable information by an operator to a third party based on a good-faith belief that disclosure is required to comply with ⁴an ⁴ applicable law, regulation, legal process, or court order;

the disclosure of personally identifiable information by an operator to a third party that is reasonably necessary to address fraud, risk management, security, or technical issues, to protect the operator's rights or property, or to protect a consumer or the public from illegal activities as required by law; or

the disclosure of personally identifiable information by an operator to a third party in connection with the proposed or actual sale or merger of the operator, or sale of all or part of its assets, to a third party.

"Online service" means ⁴[an information] <u>any</u> service provided over the Internet that collects and maintains personally identifiable information from a consumer.

"Operator" means a person or entity that operates ⁴[a commercial Internet website or]⁴ an online service ³[², and includes any third party that tracks or collects any information concerning a customer's usage of a commercial Internet website, regardless of whether the third party owns or operates the website²]³. "Operator" shall not include any third party that operates, hosts, or manages, but does not own, ⁴[a commercial Internet website or] an⁴ online service on the operator's behalf, or processes information on behalf of the operator.

"Personally identifiable information" means any information that is linked or reasonably linkable to an identified or identifiable person. "Personally identifiable information" shall not include de-identified data ²[or publicly available information.

"Publicly available information" means information that is lawfully made available from federal, State, or local government

records, or widely-distributed media **1** ³ or publically available information.

"Publicly available information" means information that is lawfully made available from federal, State, or local government records, or widely-distributed media³.

"Sale" means the exchange of personally identifiable information for monetary consideration by the operator to a third party for purposes of licensing or selling personally identifiable information at the third party's discretion to additional third parties. "Sale" shall not include the following:

the disclosure of personally identifiable information to a service provider that processes that information on behalf of the operator;

the disclosure of personally identifiable information to a third party with whom the consumer has a direct relationship for purposes of providing a product or service requested by the consumer or otherwise in a manner that is consistent with a consumer's reasonable expectations considering the context in which the consumer provided the personally identifiable information to the operator;

the disclosure or transfer of personally identifiable information to an affiliate of the operator; or

the disclosure or transfer of personally identifiable information to a third party as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the operator's assets.

"Service provider" means a person, private entity, public entity, agency, or other entity that processes personally identifiable information on behalf of the operator ³[2or on the operator's website²]³ and who shall provide sufficient guarantees to the operator to implement appropriate technical and organizational measures in a manner that processing shall ensure the protection of the consumer's personally identifiable information.

"Third party" means a person, private entity, public entity, agency, or entity other than the consumer, operator, or affiliate or service provider of the operator.

"Verified request" means the process through which a consumer may submit a request to exercise a right or rights established in P.L., c. (C.) (pending before the Legislature as this bill), and by which an operator can reasonably authenticate the request and the consumer making the request using commercially reasonable means. 15

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- ⁵[2. a. An operator that collects the personally identifiable information of a consumer through ⁴[a commercial Internet website or] an ⁴ online service shall provide on ²[its] the ² ⁴[commercial Internet website or] ⁴ online service notification to a consumer that shall include, but not be limited to:
- (1) the categories of the personally identifiable information that the operator collects through the ⁴[commercial Internet website

or]⁴ online service about a consumer who uses or visits the

² [operator's]² operator's fcommercial Internet website or]⁴

online service;

- (2) the categories of all third parties ⁴[with] to ⁴ which the operator may disclose a consumer's personally identifiable information;
- (3) whether a third party may collect personally identifiable information about a consumer's online activities over time and across different ⁴[commercial Internet websites or]⁴ online services when the consumer uses the ⁴[Internet website or]⁴ online service of the operator;
- (4) a description of the process for an individual consumer who uses or visits the ⁴[commercial Internet website or]⁴ online service to review and request changes to any of the consumer's personally identifiable information that is collected by ²[the commercial Internet website or online service of]² ⁴[³the commercial Internet website or] the online service of the operator;
- (5) the process by which the operator notifies consumers who use or visit the ⁴ [commercial Internet website or]⁴ online service of material changes to the notification required to be made available pursuant to this subsection, along with the effective date of the notice; and
- (6) information concerning one or more designated request addresses of the operator.
- b. In addition to the requirements of subsection a. of this section, an operator shall include the notification as a separate section of the operator's privacy policy.
- ³[²c. (1) The process described in paragraph (4) of subsection a. of this section shall consist of one or more methods for submitting requests to the operator. The operator shall provide a toll-free phone number, email address, or both, for the submission of requests by a customer to review or change personally identifiable information. The consumer shall submit verified documents supporting the consumer's request to change personally identifiable information. The operator shall take steps to promptly verify the data and reply to the consumer's request.
- (2) An operator may deny an individual consumer's request to change the consumer's personally identifiable information if:
- (a) the operator is legally obligated to retain the personally identifiable information; or
- (b) the changes cannot be verified through the submitted documentation. 2 3 5

⁵[3. a. An operator that collects a consumer's personally identifiable information through its ⁴[commercial Internet website or]⁴ online service and discloses the consumer's personally identifiable information to a third party shall make the following

information available to the consumer free of charge upon receipt of a verified request from the consumer for this information through a designated request address:

- (1) the category or categories of a consumer's personally identifiable information that were disclosed; and
- (2) the category or categories of the third parties that received the consumer's personally identifiable information.
- b. An operator that receives a verified request from a consumer pursuant to subsection a. of this section shall provide a response to the consumer within 60 days of the operator's verification of the request and shall provide the information, pursuant to subsection a. of this section, for all disclosures of personally identifiable information that occurred in the prior 12 months.
- c. This section shall not apply to personally identifiable information disclosed prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill).

 This section shall not apply to personally identifiable information collected prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) unless the controller continues to store such information thereafter.

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- ⁵[4. a. An operator that collects the personally identifiable information of a consumer through its ⁴[commercial Internet website or] ⁴ online service and sells the personally identifiable information of the consumer ⁴[through the Internet] ⁴ shall clearly and conspicuously post a link, on its ⁴[commercial Internet website or] ⁴ online service or in another prominently accessible location the ⁴[commercial Internet website] online service ⁴ maintains for consumer privacy settings, to an Internet webpage maintained by the operator, which enables a consumer, by verified request, to opt ⁴[out of] into ⁴ the sale of the consumer's personally identifiable information. The method in which a consumer may opt ⁴[out] in ⁴ shall be in a form and manner determined by the operator, provided that a consumer shall not be required to establish an account with the operator in order to opt ⁴[out of] into ⁴ the sale of a consumer's personally identifiable information.
- b. An operator shall be prohibited from discriminating against a consumer if the consumer chooses to opt out of the sale of the consumer's personally identifiable information pursuant to subsection a. of this section. The provisions of this section shall not prohibit the operator's ability to offer consumers discounts, loyalty programs, or other incentives for the sale of the consumer's personally identifiable information, or to provide different services to consumers that are reasonably related to the value of the relevant data⁴, provided that the operator has clearly and conspicuously disclosed to the consumer that the offered discounts, programs, incentives, or services require consenting to the sale or processing

of personally identifiable information that the consumer otherwise 1 2 has a right to opt ou of ⁴]⁵. 3 4 ⁵[5. A waiver of the requirements of, or an agreement that does not comply with, the provisions of P.L. , c. 5 (C. before the Legislature as this bill) shall be void and 6 unenforceable.]⁵ 7 8 9 ⁵[6. Nothing in P.L. (C.) (pending before the Legislature as this bill) shall apply to: 10 a. protected health information collected by a covered entity or 11 business associate subject to the privacy, security, and breach 12 notification rules issued by the United States Department of Health 13 14 and Human Services, Parts 160 and 164 of Title 45 of the Code of 15 Federal Regulations, established pursuant to the "Health Insurance Portability and Accountability Act of 1996," Pub.L.104-191, and the 16 17 "Health Information Technology for Economic and Clinical Health Act," ⁴[(]⁴42 U.S.C. s.17921 et seq.⁴[)]⁴. 18 19 b. a financial institution or an affiliate of a financial institution that is subject to Title V of the federal "Gramm-Leach-Bliley Act ⁴[of 20 1999]⁴," 15 U.S.C. s.6801 et seq., and the rules and implementing 21 22 regulations promulgated thereunder; 23 c. the secondary market institutions identified 15 U.S.C. s.6809(3)(D) and 12 C.F.R. s.1016.3(1)(3)(iii); ⁴[or]⁴ 24 25 d. an insurance institution subject to P.L.1985, c.179 (C.17:23A-1 et seq.)4[.];4 26 e. the sale of a consumer's personally identifiable information by 27 the New Jersey Motor Vehicle Commission that is permitted by the 28 29 federal "Drivers' Privacy Protection Act of 1994," 18 U.S.C. s.2721 et seq.; 4 [and] or4 30 31 personally identifiable information collected, processed, sold, 32 or disclosed by a consumer reporting agency, as defined in 15 U.S.C. 33 s.1681a(f), if the collection, processing, sale, or disclosure of the personally identifiable information is limited by the federal "Fair 34 35 Credit Reporting Act," 15 U.S.C. s.1681 et seq., and implementing regulations. **]**⁵ 36 37 38 ⁵[7. Nothing in P.L. , c. (C.) (pending before the 39 Legislature as this bill) shall require an operator to: a. re-identify de-identified data; 40 41 b. collect, retain, use, link, or combine personally identifiable 42 information concerning a consumer that it would not otherwise 43 collect, retain, use, link, or combine in the ordinary course of business.]⁵ 44 45

5 [8. It shall be an unlawful practice and violation of P.L.1960, c.39 (C.56:8-1 et seq.) for an operator to fail to notify a consumer of

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the sale of personally identifiable information pursuant to sections 2
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     and 3 of P.L., c. (C. ) (pending before the Legislature as this
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     bill) or fail to allow a consumer to opt out of the sale of a
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     consumer's personally identifiable information pursuant to section 4
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     of P.L., c. (C.
                            ) (pending before the Legislature as this bill)
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     if the operator fails to cure any alleged violation of
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                       ) (pending before the Legislature as this bill)
     P.L. , c. (C.
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     within 30 days after receiving notice of alleged noncompliance
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      from the Attorney General. ]<sup>5</sup>
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        <sup>5</sup>[9. The Director of the Division of Consumer Affairs in the
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     Department of Law and Public Safety shall promulgate rules and
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     regulations, pursuant to the "Administrative Procedure Act,"
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     P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to effectuate the
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     purposes of P.L. , c. (C. ) (pending before the Legislature as
     this bill). ]<sup>5</sup>
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        <sup>5</sup>[10. The Office of the Attorney General shall have sole and
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     exclusive authority to enforce a violation of P.L.
                                                               (C.
      (pending before the Legislature as this bill).
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                                                            <sup>1</sup>Nothing in
     P.L., c. (C. ) (pending before the Legislature as this bill)
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     shall be construed as providing the basis for, or subject to, a private
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     right of action for violations of P.L., c. (C.) (pending before
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     the Legislature as this bill) or under any other law. <sup>1</sup>]<sup>5</sup>
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        5Γ11.
                   This act shall take effect on the 180th day following
     the date of enactment, except that the Director of the Division of
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     Consumer Affairs may take any anticipatory administrative action in
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      advance as shall be necessary for the implementation of this act. 1<sup>5</sup>
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        <sup>5</sup>1. As used in P.L. , c. (C. ) (pending before the
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     Legislature as this bill):
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        "Affiliate" means a legal entity that controls, is controlled by, or
     is under common control with another legal entity. For the
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     purposes of this definition, "control" means: the ownership of or the
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     power to vote, more than 50 percent of the outstanding shares of
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     any class of voting security of a company; the control in any
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     manner over the election of a majority of the directors or
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     individuals exercising similar functions; or the power to exercise a
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     controlling influence over the management or policies of a
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     company.
        "Biometric data" means data generated by automatic or
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     technological processing, measurements, or analysis of an
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     individual's biological, physical, or behavioral characteristics,
      including, but not limited to, fingerprint, voiceprint, eye retinas,
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     irises, facial mapping, facial geometry, facial templates, or other
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     unique biological, physical, or behavioral patterns or characteristics
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- 1 that are used or intended to be used, singularly or in combination
- 2 with each other or with other personal data, to identify a specific
- 3 individual. "Biometric data" shall not include: a digital or physical
- 4 photograph; an audio or video recording; or any data generated
- 5 from a digital or physical photograph, or an audio or video
- 6 recording, unless such data is generated to identify a specific individual.
- 8 "Child" shall have the same meaning as provided in COPPA.
- 9 "Consent" means a clear affirmative act signifying a consumer's
- 10 freely given, specific, informed and unambiguous agreement to
- allow the processing of personal data relating to the consumer.
- 12 "Consent" may include a written statement, including by electronic
- 13 means, or any other unambiguous affirmative action. "Consent shall
- 14 <u>not include: acceptance of a general or broad terms of use or similar</u>
- 15 document that contains descriptions of personal data processing
- 16 along with other, unrelated information; hovering over, muting,
- 17 pausing, or closing a given piece of content; or agreement obtained
- 18 through the use of dark patterns.
- 19 "Consumer" means an identified person who is a resident of this
- 20 State acting only in an individual or household context. "Consumer"
- 21 <u>shall not include a person acting in a commercial or employment</u>
- 22 <u>context.</u>
- 23 "Controller" means an individual, or legal entity that, alone or
- 24 jointly with others determines the purpose and means of processing
- 25 personal data.
- 26 "COPPA" means the federal Children's Online Privacy
- 27 Protection Act, 15 U.S.C. s.6501 et seq., and any rules, regulations,
- 28 guidelines, and exceptions thereto, as may be amended from time to
- 29 <u>time.</u>
- 30 "Dark pattern" means a user interface designed or manipulated
- 31 with the substantial effect of subverting or impairing user
- 32 <u>autonomy</u>, decision-making, or choice, and includes, but is not
- 33 <u>limited to, any practice the United States Federal Trade</u>
- 34 Commission refers to as a "dark pattern."
- 35 "Decisions that produce legal or similarly significant effects
- 36 <u>concerning the consumer</u>" means decisions that result in the
- 37 provision or denial of financial or lending services, housing,
- 38 <u>insurance</u>, education enrollment or opportunity, criminal justice,
- 39 employment opportunities, health care services, or access to
- 40 essential goods and services.
- 41 "De-identified data" means: data that cannot be reasonably used
- 42 <u>to infer information about, or otherwise be linked to, an identified or</u>
- 43 reasonably identifiable individual, or a device linked to such an
- 44 <u>individual</u>, if the controller that possesses the data: (1) takes
- 45 <u>reasonable measures to ensure that the data cannot be associated with</u>
- an individual, (2) publicly commits to maintain and use the data only
- in a de-identified fashion and not to attempt to re-identify the data,

- 1 and (3) contractually obligates any recipients of the information to comply with the requirements of this paragraph.
- 3 "Designated request address" means an electronic mail address,
- 4 <u>Internet website, or toll-free telephone number that a consumer may</u>
- 5 <u>use to request the information required to be provided pursuant to</u>
- 6 section 3 of P.L., c. (C.) (pending before the Legislature as
- 7 this bill).
- 8 "Personal data" means any information that is linked or
- 9 <u>reasonably linkable to an identified or identifiable person. "Personal</u>
- 10 data" shall not include de-identified data or publicly available
- 11 <u>information.</u>
- 12 "Precise geolocation data" means information derived from
- 13 <u>technology, including, but not limited to, global positioning system</u>
- 14 <u>level latitude and longitude coordinates or other mechanisms, that</u>
- 15 <u>directly identifies the specific location of an individual with</u>
- precision and accuracy within a radius of 1,750 feet. "Precise
- 17 geolocation data" does not include the content of communications,
- or any data generated by or connected to advanced utility metering
- 19 <u>infrastructure systems or equipment for use by a utility.</u>
- 20 "Process" or "processing" means an operation or set of
- 21 operations performed, whether by manual or automated means, on
- 22 personal data or on sets of personal data, such as the collection, use,
- 23 storage, disclosure, analysis, deletion, or modification of personal
- 24 data, and also includes the actions of a controller directing a
- 25 processor to process personal data.
- 26 "Processor" means a person, private entity, public entity, agency,
- or other entity that processes personal data on behalf of the
- 28 controller.
- 29 "Profiling" means any form of automated processing performed
- 30 <u>on personal data to evaluate, analyze or predict personal aspects</u>
- 31 related to an identified or identifiable individual's economic
- 32 <u>situation, health, personal preferences, interests, reliability,</u>
- 33 <u>behavior</u>, <u>location or movements</u>.
- 34 "Publicly available information" means information that is
- 35 lawfully made available from federal, State, or local government
- 36 records, or widely-distributed media or information that a controller
- 37 has a reasonable basis to believe a consumer has lawfully made
- 38 available to the general public and has not restricted to a specific
- 39 <u>audience</u>.
- 40 "Sale" means the sharing, disclosing, or transferring of personal
- 41 <u>data for monetary or other valuable consideration by the controller to a</u>
- 42 <u>third party. "Sale" shall not include:</u>
- The disclosure of personal data to a processor that only processes
- 44 the personal data on the controller's behalf;
- The disclosure of personal data to a third party for the purposes of
- 46 providing a product or service requested by the consumer;
- The disclosure or transfer of personal data to an affiliate of the
- 48 <u>controller</u>;

The disclosure of personal data that the consumer intentionally 1 2 made available to the general public through a mass media channel 3 and did not restrict to a specific audience; or 4 The disclosure or transfer of personal data to a third party as an 5 asset that is part of a proposed or actual merger, acquisition, 6 bankruptcy, or other transaction in which the third party assumes 7 control of all or part of the controller's assets. 8 "Sensitive data" means personal data revealing racial or ethnic 9 origin; religious beliefs; mental or physical health condition, treatment, 10 or diagnosis; financial information; sex life or sexual orientation; 11 citizenship or immigration status; status as transgender or non-binary; genetic or biometric data that may be processed for the purpose of 12 13 uniquely identifying an individual; personal data collected from a 14 known child; or precise geolocation data. 15 "Targeted advertising" means displaying an advertisements to a consumer where the advertisement is selected based on personal data 16 17 obtained or inferred from that consumer's activities over time and 18 across nonaffiliated Internet web sites or online applications to predict such consumer's preferences or interests. "Targeted advertising" shall 19 not include: advertisements based on activities within a controller's 20 21 own internet websites or online applications; advertisements based on 22 the context of a consumer's current search query, visit to an internet 23 website or online application; advertisements directed to a consumer in 24 response to the consumer's request for information or feedback; or 25 processing personal data solely to measure or report advertising 26 frequency, performance, or reach. 27 "Third party" means a person, private entity, public entity, 28 agency, or entity other than the consumer, controller, or affiliate or 29 processor of the controller. 30 "Trade secret" has the same meaning as section 2 of P.L.2011, 31 c.161 (C.56:15-2). 32 "Verified request" means the process through which a consumer 33 may submit a request to exercise a right or rights established in 34 P.L., c. (C.) (pending before the Legislature as this bill), 35 and by which a controller can reasonably authenticate the request 36 and the consumer making the request using commercially reasonable means.⁵ 37 38 ⁵2. Notwithstanding any State law, rule, regulation, or order to 39 the contrary, the provisions of P.L. , c. (C.) (pending 40 41 before the Legislature as this bill) shall only apply to controllers 42 that conduct business in the State or produce products or services 43 that are targeted to residents of the State, and that during a calendar 44 year either: 45 a. control or process the personal data of at least 100,000 46 consumers, excluding personal data processed solely for the

purpose of completing a payment transaction; or

1	b. control or process the personal data of at least 25,000
2	consumers and the controller derives revenue, or receives a discount
3	on the price of any goods or services, from the sale of personal
4	data. ⁵
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6	⁵ 3. a. A controller shall provide to a consumer a reasonably
7	accessible, clear, and meaningful privacy notice that shall include, but
8	may not be limited to:
9	(1) the categories of the personal data that the controller
10	processes;
11	(2) the purpose for processing personal data;
12	(3) the categories of all third parties to which the controller may
13	disclose a consumer's personal data;
14	(4) the categories of personal data that the controller shares with
15	third parties, if any;
16	(5) how consumers may exercise their consumer rights, including
17	the controller's contact information and how a consumer may
18	appeal a controller's decision with regard to the consumer's
19	request;
20	(6) the process by which the controller notifies consumers of
21	material changes to the notification required to be made available
22	pursuant to this subsection, along with the effective date of the
23	notice; and
24	(7) an active electronic mail address or other online mechanism that
25	the consumer may use to contact the controller.
26	b. If a controller sells personal data to third parties or processes
27	personal data for the purposes of targeted advertising, the sale of
28	personal data, or profiling in furtherance of decisions that produce
29	legal or similarly significant effects concerning a consumer, the
30	controller shall clearly and conspicuously disclose such sale or
31	processing, as well as the manner in which a consumer may
32	exercise the right to opt out of such sale or processing, a description
33	of the process for a consumer to review and make requests pursuant
34	to section 4 of this act, P.L. , c. (C.) (pending before the
35	Legislature as this bill).
36	c. A controller shall not:
37	(1) require a consumer to create a new account in order to exercise
38	a right; or
39	(2) based solely on the exercise of a right and unrelated to
40	feasibility or the value of a service, increase the cost of, or decrease
41	the availability of, the product or service. ⁵
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43	⁵ 4. a. A controller that receives a verified request from a
44	consumer shall provide a response to the consumer within 45 days
45	of the controller's receipt of the request . The controller may extend
46	the response period by 45 additional days where reasonably
47	necessary, considering the complexity and number of the
48	consumer's requests, provided that the controller informs the

consumer of any such extension within the initial 45-day response period and the reason for the extension and shall provide the information for all disclosures of personal data that occurred in the

4 <u>prior 12 months.</u>

b. This section shall not apply to personal data collected prior to the effective date of P.L., c. (C.) (pending before the Legislature as this bill) unless the controller continues to process such information thereafter.

c. If a controller declines to take action regarding the consumer's request, the controller shall inform the consumer without undue delay, but not later than 45 days after receipt of the request, of the justification for declining to take action and instructions for how to appeal the decision.

d. Information provided in response to a consumer request shall be provided by a controller, free of charge, once per consumer during any twelve-month period, except that, for a second or subsequent identical request within a 12-month period, the controller may charge an amount calculated pursuant to regulations. If requests from a consumer are manifestly unfounded, excessive, or repetitive, the controller may charge the consumer a reasonable fee to cover the administrative costs of complying with the request or decline to act on the request. The controller shall bear the burden of demonstrating the manifestly unfounded, excessive or repetitive nature of the request.

e. If a controller is unable to authenticate a request to exercise any of the rights afforded under section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) using commercially reasonable efforts, the controller shall not be required to comply with a request to initiate an action pursuant to this section and shall provide notice to the consumer that the controller is unable to authenticate the request to exercise such right or rights until such consumer provides additional information reasonably necessary to authenticate such consumer and such consumer's request to exercise such right or rights. A controller shall not be required to authenticate an opt-out request it honors, but a controller may deny an opt-out request if the controller has a good faith, reasonable and documented belief that such request is fraudulent. If a controller denies an opt-out request because the controller believes such request is fraudulent, the controller shall send a notice to the person who made such request disclosing that such controller believes such request is fraudulent, why such controller believes such request is fraudulent and that such controller shall not comply with such request.

f. A controller shall establish a process for a consumer to appeal the controller's refusal to take action on a request within a reasonable period of time after the consumer's receipt of the decision. The appeal process shall be conspicuously available and similar to the process for submitting requests to initiate action pursuant to this section. Not later than 45 days after receipt of an appeal, a controller shall inform the consumer in writing of any action taken or not taken in response to the

1 appeal, including a written explanation of the reasons for the decisions. 2 If the appeal is denied, the controller shall also provide the consumer 3 with an online mechanism, if available, or other method through which 4 the consumer may contact the Division of Consumer Affairs in the 5 Department of Law and Public Safety to submit a complaint.⁵ 6 7 ⁵5. A controller shall be prohibited from discriminating against a 8 consumer if the consumer chooses to opt out of the processing for sale, targeted advertising, or profiling in furtherance of decisions 9 10 that produce legal or similarly significant effects of the consumer's personal data pursuant to P.L. , c. (C.) (pending before the 11 Legislature as this bill). The provisions of this section shall not 12 prohibit the controller's ability to offer consumers discounts, loyalty 13 14 programs, or other incentives for the sale of the consumer's personal 15 data, or to provide different services to consumers that are reasonably related to the value of the relevant data, provided that 16 the controller has clearly and conspicuously disclosed to the 17 18 consumer that the offered discounts, programs, incentives, or 19 services include the sale or processing of personal data that the consumer otherwise has a right to opt out of.⁵ 20 21 ⁵6. A waiver of the requirements of, or an agreement that does 22 23 not comply with, the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) shall be void and unenforceable.⁵ 24 25 26 ⁵7. a. A consumer shall have the right to: 27 (1) confirm whether a controller processes the consumer's personal data and accesses such personal data, provided that 28 29 nothing in this paragraph shall require a controller to provide the 30 data to the consumer in a manner that would reveal the controller's 31 trade secrets; 32 (2) correct inaccuracies in the consumer's personal data, taking 33 into account the nature of the information and the purposes of the 34 processing of the information; 35 (3) delete personal data concerning the consumer; 36 (4) obtain a copy of the consumer's personal data held by the 37 controller in a portable and, to the extent technically feasible, 38 readily usable format that allows the consumer to transmit the data 39 to another entity without hindrance, provided that nothing in this 40 paragraph shall require a controller to provide the data to the 41 consumer in a manner that would reveal the controller's trade 42 secrets; and 43 (5) opt out of the processing of personal data for the purposes of (a) targeted advertising; (b) the sale of personal data; or (c) 44 profiling in furtherance of decisions that produce legal or similarly 45 46 significant effects concerning the consumer.

b. A controller that has lawfully obtained personal data about a

consumer from a source other than the consumer shall be deemed in

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1 compliance with a consumer's request to delete such data pursuant 2 to this subsection by: 3 (1) retaining a record of the deletion request and the minimum 4 data necessary for the purpose of ensuring the consumer's personal 5 data remains deleted from the controller's records and not using such retained information for any other purpose pursuant to the 6 7 provisions of P.L., c. (C.) (pending before the Legislature 8 as this bill); or 9 (2) deleting such personal data.⁵ 10 11 ⁵8. a. A consumer may designate another person to serve as the 12 consumer's authorized agent and act on the consumer's behalf to opt out of the processing and sale of the consumer's personal data. 13 14 A consumer may designate an authorized agent using technology, 15 including a link to an Internet website, an Internet browser setting or extension, or a global setting on an electronic device, that allows 16 17 the consumer to indicate the consumer's intent to opt-out of the 18 collection and processing for the purpose of any sale of data or for 19 the purpose of targeted advertising or for profiling in furtherance of decisions that produce legal or similarly significant effects 20 21 concerning a consumer. A controller shall comply with an opt-out 22 request received from an authorized agent under this subsection if 23 the controller is able to verify, with commercially reasonable effort, the identity of the consumer and the authorized agent's authority to 24 25 act on the consumer's behalf. 26 b. (1) Beginning not later than four months following the effective date of P.L. , c. (C.) (pending before the 27 28 Legislature as this bill), a controller that processes personal data for 29 purposes of targeted advertising, the sale of personal data, or 30 profiling in furtherance of decisions that produce legal or similarly 31 significant effects concerning a consumer shall allow consumers to 32 exercise the right to opt-out of such processing through a user-33 selected universal opt-out mechanism. 34 (2) The platform, technology, or mechanism shall: 35 (a) not permit its manufacturer to unfairly disadvantage another 36 controller; 37 (b) not make use of a default setting that opts-in a consumer to the processing or sale of personal data, unless the controller has 38 39 determined that the consumer has selected such default setting and 40 the selection clearly represents the consumer's an affirmative, 41 freely given, and unambiguous choice to opt-out of any processing 42 of such consumer's personal data pursuant to P.L. , c. (C.) 43 (pending before the Legislature as this bill); 44 (c) be consumer-friendly, clearly described, and easy to use by 45 the average consumer; 46 (d) be as consistent as possible with any other similar platform, 47 technology, or mechanism required by any federal or state law or

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regulation; and

1 (e) enable the controller to accurately determine whether the 2 consumer is a resident of this State and whether the consumer has 3 made a legitimate request to opt out of the processing of personal 4 data for the purposes of any sale of such consumer's personal data 5 or targeted advertising; and 6 (3) Controllers shall inform consumers about the opt-out choices 7 available under P.L. , c. (C.) (pending before the 8 Legislature as this bill). 9 c. The Division of Consumer Affairs in the Department of Law 10 and Public Safety may adopt rules and regulations that detail the technical specifications for one or more universal opt-out 11 12 mechanisms that clearly communicate a consumer's affirmative, 13 freely given, and unambiguous choice to opt out of the processing of personal data pursuant to P.L. , c. (C.) (pending before 14 15 the Legislature as this bill), including regulations that permit the 16 controller to accurately authenticate the consumer as a resident of 17 this state and determine that the mechanism represents a legitimate 18 request to opt out of the processing of personal data pursuant to 19 P.L., c. (C.) (pending before the Legislature as this bill). The division may update the rules that detail the technical 20 21 specifications for the mechanisms from time to time to reflect the means by which consumers interact with controllers.⁵ 22 23 24 ⁵9. a. A controller shall: 25 (1) limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for 26 27 which such data is processed, as disclosed to the consumer; 28 (2) except as otherwise provided in P.L. , c. (C. 29 (pending before the Legislature as this bill), not process personal 30 data for purposes that are neither reasonably necessary to, nor 31 compatible with, the purposes for which such personal data is 32 processed, as disclosed to the consumer, unless the controller 33 obtains the consumer's consent; (3) take reasonable measures to establish, implement, and 34 35 maintain administrative, technical, and physical data security 36 practices to protect the confidentiality, integrity, and accessibility of 37 personal data and to secure personal data during both storage and 38 use from unauthorized acquisition. The data security practices shall 39 be appropriate to the volume and nature of the personal data at 40 issue; 41 (4) not process sensitive data concerning a consumer without 42 first obtaining the consumer's consent, or, in the case of the 43 processing of personal data concerning a known child, without 44 processing such data in accordance with COPPA; 45 (5) not process personal data in violation of the laws of this State

and federal laws that prohibit unlawful discrimination against

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consumers;

1 (6) provide an effective mechanism for a consumer to revoke the
2 consumer's consent under this section that is at least as easy as the
3 mechanism by which the consumer provided the consumer's
4 consent and, upon revocation of such consent, cease to process the
5 data as soon as practicable, but not later than 15 days after the
6 receipt of such request;

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(7) not process the personal data of a consumer for purposes of targeted advertising, the sale of the consumer's personal data, or profiling in furtherance of decisions that produce legal or similarly significant effects concerning a consumer without the consumer's consent, under circumstances where a controller has actual knowledge, or willfully disregards, that the consumer is at least 13 years of age but younger than 17 years of age;

- (8) specify the express purposes for which personal data are processed; and
- (9) not conduct processing that presents a heightened risk of harm to a consumer without conducting and documenting a data protection assessment of each of its processing activities that involve personal data acquired on or after the effective date of P.L., c. (C.) (pending before the Legislature as this bill) that present a heightened risk of harm to a consumer.
- b. Data protection assessments shall identify and weigh the benefits that may flow, directly and indirectly, from the processing to the controller, the consumer, other stakeholders, and the public against the potential risks to the rights of the consumer associated with the processing, as mitigated by safeguards that the controller can employ to reduce the risks. The controller shall factor into this assessment the use of de-identified data and the reasonable expectations of consumers, as well as the context of the processing and the relationship between the controller and the consumer whose personal data will be processed. A controller shall make the data protection assessment available to the Division of Consumer Affairs in the Department of Law and Public Safety upon request. The division may evaluate the data protection assessment for compliance with the duties contained in this section and with other laws. Data protection assessments shall be confidential and exempt from public inspection under P.L.1963 c.3 (C.47:1A-1 et al.). The disclosure of a data protection assessment pursuant to a request from the division under this section shall not constitute a waiver of any attorney-client privilege or work-product protection that might otherwise exist with respect to the assessment and any information contained in the assessment.
- c. For the purposes of this section, "heightened risk" includes:

(1) processing personal data for purposes of targeted advertising or for profiling if the profiling presents a reasonably foreseeable risk of: unfair or deceptive treatment of, or unlawful disparate impact on, consumers; financial or physical injury to consumers; a physical or other intrusion upon the solitude or seclusion, or the

1	private affairs or concerns, of consumers if the intrusion would be
2	offensive to a reasonable person; or other substantial injury to
3	consumers;
4	(2) selling personal data; and
5 6	(3) processing sensitive data. ⁵
7	⁵ 10. Nothing in P.L. , c. (C.) (pending before the
8	Legislature as this bill) shall apply to:
9	a. protected health information collected by a covered entity or
10	business associate subject to the privacy, security, and breach
11	notification rules issued by the United States Department of Health
12	and Human Services, Parts 160 and 164 of Title 45 of the Code of
13	Federal Regulations, established pursuant to the "Health Insurance
14	Portability and Accountability Act of 1996," Pub.L.104-191, and
15	the "Health Information Technology for Economic and Clinical
16	Health Act," 42 U.S.C. s.17921 et seq.;
17	b. a financial institution or an affiliate of a financial institution
18	that is subject to Title V of the federal "Gramm-Leach-Bliley Act,"
19	15 U.S.C. s.6801 et seq., and the rules and implementing
20	regulations promulgated thereunder;
21	c. the secondary market institutions identified in
22	15 U.S.C. s.6809(3)(D) and 12 C.F.R. s.1016.3(1)(3)(iii);
23	d. an insurance institution subject to P.L.1985, c.179
24	(C.17:23A-1 et seq.);
25	e. the sale of a consumer's personal data by the New Jersey
26	Motor Vehicle Commission that is permitted by the federal
27	"Drivers' Privacy Protection Act of 1994," 18 U.S.C. s.2721 et seq.;
28	f. personal data collected, processed, sold, or disclosed by a
29 20	consumer reporting agency, as defined in 15 U.S.C. s.1681a(f), it
30	the collection, processing, sale, or disclosure of the personal data is
31 32	limited, governed, and collected, maintained, disclosed, sold communicated, or used only as authorized by the federal "Fain
33	Credit Reporting Act," 15 U.S.C. s.1681 et seq., and implementing
34	regulations;
35	g. any State agency as defined in section 2 of P.L.1971, c.182
36	(C.52:13D-13), any political subdivision, and any division, board
37	bureau, office, commission, or other instrumentality created by a
38	political subdivision; or
39	h. personal data that is collected, processed, or disclosed, as
40	part of research conducted in accordance with the Federal Policy for
41	the protection of human subjects pursuant to 45 C.F.R. Part 46 or
1 2	the protection of human subjects pursuant to 21 C.F.R. Parts 50 and
43	<u>56.</u> ⁵
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45	⁵ 11. Nothing in P.L. , c. (C.) (pending before the
46	Legislature as this bill) shall require an operator to:
17	a raidantify da identified data.

1 b. collect, retain, use, link, or combine personal data 2 concerning a consumer that it would not otherwise collect, retain, 3 use, link, or combine in the ordinary course of business.⁵ 4 ⁵12. a. Nothing in P.L., c. (C.) (pending before the 5 Legislature as this bill) shall be construed to restrict a controller's 6 7 or processor's ability to: 8 (1) comply with federal or State law or regulations; 9 (2) comply with a civil, criminal or regulatory inquiry, 10 investigation, subpoena or summons by federal, State, municipal or other governmental authorities; 11 12 (3) cooperate with law enforcement agencies concerning conduct 13 or activity that the controller or processor reasonably and in good 14 faith believes may violate federal, State or municipal ordinances or 15 regulations; 16 (4) investigate, establish, exercise, prepare for or defend legal 17 claims; 18 (5) provide a product or service specifically requested by a 19 consumer; 20 (6) perform under a contract to which a consumer is a party, 21 including fulfilling the terms of a written warranty; 22 (7) take steps at the request of a consumer prior to entering into a 23 contract; 24 (8) take immediate steps to protect an interest that is essential for 25 the life or physical safety of the consumer or another individual, 26 and where the processing cannot be manifestly based on another 27 legal basis; 28 (9) prevent, detect, protect against or respond to security 29 incidents, identity theft, fraud, harassment, malicious or deceptive 30 activities or any illegal activity, preserve the integrity or security of 31 systems or investigate, report or prosecute those responsible for any 32 such action; 33 (10) engage in public or peer-reviewed scientific or statistical 34 research in the public interest that adheres to all other applicable 35 ethics and privacy laws and is approved, monitored and governed 36 by an institutional review board that determines, or similar 37 independent oversight entities that determine, (a) whether the deletion of the information is likely to provide 38 39 substantial benefits that do not exclusively accrue to the controller, 40 (b) the expected benefits of the research outweigh the privacy 41 risks, and 42 (c) whether the controller has implemented reasonable 43 safeguards to mitigate privacy risks associated with research, 44 including any risks associated with re-identification; 45 (11) assist another controller, processor, or third party with any 46 of the obligations under P.L. , c. (C.) (pending before the

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Legislature as this bill); or

- 1 (12) personal data for reasons of public interest in the area of
 2 public health, community health, or population health, but solely to
 3 the extent that such processing is
 4 (a) subject to suitable and specific measures to safeguard the
 - (a) subject to suitable and specific measures to safeguard the rights of the consumer whose personal data is being processed, and
- 6 (b) under the responsibility of a professional subject to confidentiality obligations under federal, State or local law.
- b. The obligations imposed on controllers or processors under
 P.L., c. (C.) (pending before the Legislature as this bill)
 shall not restrict a controller's or processor's ability to collect, use or
 retain data for internal use to:
- 12 (1) conduct internal research to develop, improve, or repair 13 products, services, or technology;
 - (2) effectuate a product recall;

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- (3) identify and repair technical errors that impair existing or
 intended functionality; or
- (4) perform internal operations that are reasonably aligned with 17 18 the expectations of the consumer or reasonably anticipated based on 19 the consumer's existing relationship with the controller, or are 20 otherwise compatible with processing data in furtherance of the 21 provision of a product or service specifically requested by a 22 consumer or the performance of a contract to which the consumer is 23 a party. Personal data collected, used, or retained pursuant to this 24 subsection shall, where applicable, take into account the nature and 25 purpose or purposes of such collection, use or retention. Such data 26 shall be subject to reasonable administrative, technical, and physical 27 measures to protect the confidentiality, integrity, and accessibility 28 of the personal data and to reduce reasonably foreseeable risks of 29 harm to consumers relating to such collection, use, or retention of 30 personal data.
- 31 c. The obligations imposed on controllers or processors under 32 P.L., c. (C.) (pending before the Legislature as this bill) 33 shall not apply where compliance by the controller or processor 34 with the provisions of law would violate an evidentiary privilege 35 under the laws of this State. Nothing in P.L. , c. (C. 36 (pending before the Legislature as this bill) shall be construed to 37 prevent a controller or processor from providing personal data 38 concerning a consumer to a person covered by an evidentiary
- privilege under the laws of the State as part of a privileged communication.
- d. Personal data that are processed by a controller pursuant to an
 exception provided by this section:
- 43 (1) shall not be processed for any purpose other than a purpose 44 expressly listed in this section; and
- 45 (2) shall be processed solely to the extent that the processing is
 46 necessary, reasonable, and proportionate to the specific purpose or
 47 purposes listed in this section.

- e. If a controller processes personal data pursuant to an exemption in this section, the controller bears the burden of demonstrating that such processing qualifies for the exemption and complies with the requirements in this section.
 - f. Processing personal data for the purposes expressly identified in this section shall not solely make a legal entity a controller with respect to such processing if such entity would not otherwise meet the definition of a controller.⁵

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- ⁵13. a. Controllers and processors shall meet their respective obligations established under P.L., c. (C.) (pending before the Legislature as this bill).
- b. Processors shall adhere to the instructions of the controller
 and assist the controller to meet its obligations under this act.
 Taking into account the nature of processing and the information
 available to the processor, the processor shall assist the controller
 by:
- 18 (1) taking appropriate technical and organizational measures, 19 insofar as possible, for the fulfillment of the controller's obligation 20 to respond to consumer requests to exercise their rights under this 21 act;
 - (2) helping to meet the controller's obligations in relation to the security of processing the personal data and in relation to notification of a breach of the security of the system; and
 - (3) providing information to the controller necessary to enable the controller to conduct and document any data protection assessments required by section 9 of P.L. , c. (C.) (pending before the Legislature as this bill). The controller and processor are each responsible for only the measures allocated to them.
- 31 <u>c. Notwithstanding the instructions of the controller, a</u> 32 <u>processor shall:</u>
- 33 (1) ensure that each person processing the personal data is 34 subject to a duty of confidentiality with respect to the data; and
- 35 (2) engage a subcontractor pursuant to a written contract in 36 accordance with subsection e. of this section that requires the 37 subcontractor to meet the obligations of the processor with respect 38 to the personal data.
 - d. Taking into account the context of processing, the controller and the processor shall implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk and establish a clear allocation of the responsibilities between them to implement the measures.
- e. Processing by a processor shall be governed by a contract between the controller and the processor that is binding on both parties and that sets forth:
- 47 (1) the processing instructions to which the processor is bound, 48 including the nature and purpose of the processing;

- 1 (2) the type of personal data subject to the processing, and the duration of the processing;
- 3 (3) the requirements imposed by this subsection and subsections 4 c. and d. of this section; and
 - (4) the following requirements:

- 6 (a) At the discretion of the controller, the processor shall delete 7 or return all personal data to the controller as requested at the end of 8 the provision of services, unless retention of the personal data is 9 required by law;
 - (b) (i) The processor shall make available to the controller all information necessary to demonstrate compliance with the obligations in this act; and
 - (ii) The processor shall allow for, and contribute to, reasonable assessments and inspections by the controller or the controller's designated assessor. Alternatively, the processor may, with the controller's consent, arrange for a qualified and independent assessor to conduct, at least annually and at the processor's expense, an assessment of the processor's policies and technical and organizational measures in support of the obligations under this act using an appropriate and accepted control standard or framework for the assessment as applicable. The processor shall provide a report of the assessment to the controller upon request.
 - f. In no event may a contract relieve a controller or a processor from the liabilities imposed on them by virtue of its role in the processing relationship as defined by P.L. , c. (C.) (pending before the Legislature as this bill).
 - g. Determining whether a person is acting as a controller or processor with respect to a specific processing of data shall be a fact-based determination that depends upon the context in which personal data are to be processed. A person that is not limited in its processing of personal data pursuant to a controller's instructions, or that fails to adhere to the instructions, shall be deemed a controller and not a processor with respect to a specific processing of data. A processor that continues to adhere to a controller's instructions with respect to a specific processing of personal data shall remain a processor. If a processor begins, alone or jointly with others, determining the purposes and means of the processing of personal data, it shall be deemed a controller with respect to the processing. ⁵

- 43 <u>as this bill).</u>
 44 <u>b. Until the first day of the 18th month next following the</u>
 45 <u>effective date of P.L.</u>, c. (C.) (pending before the
 46 <u>Legislature as this bill)</u>, prior to bringing an enforcement action
 47 <u>before an administrative law judge or a court of competent</u>
 48 <u>jurisdiction in this State</u>, the Division of Consumer Affairs in the

1	Department of Law and Public Safety shall issue a notice to the
2	controller if a cure is deemed possible. If the operator controller
3	fails to cure the alleged violation of P.L. , c. (C.) (pending
4	before the Legislature as this bill) within 30 days after receiving
5	notice of alleged noncompliance from the division, such
6	enforcement action may be brought. ⁵
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8	⁵ 15. The Director of the Division of Consumer Affairs in the
9	Department of Law and Public Safety shall promulgate rules and
10	regulations, pursuant to the "Administrative Procedure Act,"
11	P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to effectuate the
12	purposes of P.L. , c. (C.) (pending before the Legislature as
13	this bill). ⁵
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15	⁵ 16. The Office of the Attorney General shall have sole and
16	exclusive authority to enforce a violation of P.L. , c. (C.)
17	(pending before the Legislature as this bill). Nothing in
18	P.L., c. (C.) (pending before the Legislature as this bill)
19	shall be construed as providing the basis for, or subject to, a private
20	right of action for violations of P.L. , c. (C.) (pending before
21	the Legislature as this bill) or under any other law.
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23	⁵ 17. This act shall take effect on the 365th day following the date
24	of enactment, except that the Director of the Division of Consumer
25	Affairs may take any anticipatory administrative action in advance as
26	shall be necessary for the implementation of this act. ⁵