Connecticut Data Privacy Act ("CTDPA")

On May 10, 2022, Connecticut Governor Ned Lamont signed <u>An Act Concerning Personal Data Privacy and Online Monitoring</u>, making Connecticut the fifth state to enact a consumer privacy law.

Taking effect on July 1, 2023, the law, also known as the Connecticut Data Privacy Act ("CTDPA"), will apply to individuals and entities that: (1) conduct business in Connecticut, or produce products or services that are targeted to Connecticut residents; and (2) during the preceding calendar year, either: (a) controlled or processed the personal data of at least 100,000 consumers (excluding for the purpose of completing a payment transaction); or (b) controlled or processed the personal data of at least 25,000 consumers and derived more than 25% of their gross revenue from the sale of personal data.

The CTDPA exempts certain entities, including, for example, consumer reporting agencies, state and local government entities, nonprofits, higher education institutions, financial institutions and information covered under other federal laws, such as GLBA, FCRA, DPPA, and HIPAA.

The CTDPA's protections apply only to Connecticut residents acting in an individual capacity (<u>i.e.</u>, "consumers"), and do not apply to individuals acting in an employment or commercial (B2B) context. Under the CTDPA, consumers will have the right to:

- confirm whether or not a controller is processing the consumer's personal data and access such personal data;
- correct inaccuracies in the consumer's personal data;
- delete personal data provided by, or obtained about, the consumer;
- obtain a copy of the consumer's personal data processed by a controller, in a portable and, to the extent technically feasible, readily usable format; and
- opt out of the processing of their personal data for purposes of: (1) targeted advertising; (2) the sale of personal data; or (3) profiling in furtherance of solely automated decisions that produce legal or similarly significant effects concerning the consumer.

Among other obligations, controllers will be required to:

- limit the collection of personal data to "what is adequate, relevant and reasonably necessary" to the purposes for processing, as disclosed to the consumer;
- process personal data only for purposes that are reasonably necessary to and compatible with the purposes for processing, as disclosed to the consumer (unless the controller obtains the consumer's consent);
- establish, implement and maintain reasonable administrative, technical and physical data security practices;
- not process sensitive data concerning a consumer without obtaining the consumer's consent;
- not process personal data in violation of federal and state antidiscrimination laws;

- provide an effective mechanism for a consumer to revoke consent and cease processing the data within 15 days of receiving a revocation request; and
- not process personal data of a consumer for purposes of targeted advertising, or sell the consumer's personal data without the consumer's consent, where a controller has actual knowledge and willfully disregards that a consumer is 13-15 years old.

The CTDPA mirrors certain provisions of other state's consumer protection laws, including the CPA, the VCDPA, and the UCPA. For example, the CTDPA:

- contains a broad definition of "sale," which includes exchanges of personal data for monetary or "other valuable consideration.";
- will, beginning January 1, 2025, require controllers to recognize opt-out preference signals sent via a universal opt-out mechanism;
- will not require the authentication of opt-out requests;
- prohibits the use of dark patterns to obtain consent;
- requires controllers to obtain parental consent for the collection of personal data from a known child (i.e., children under 13 years old);
- requires controllers to conduct data protection assessments prior to engaging in data processing activities that present a heightened risk of harm to consumers. Although the CTDPA will initially provide controllers a right to cure violations, the right to cure will end on December 31, 2024;
- does not provide for a private right of action. The law will be enforced by the Connecticut Attorney General.

Click the link above to view the details and full text of the CTDPA.