

# 101ST GENERAL ASSEMBLY State of Illinois 2019 and 2020 SB3299

Introduced 2/11/2020, by Sen. Laura Fine

### SYNOPSIS AS INTRODUCED:

See Index

Creates the Consumer Privacy Act. Provides that a consumer has the right to request that a business that collects the consumer's personal information disclose to that consumer the categories and specific pieces of personal information the business has collected. Requires a business to, at or before the point of collection, inform a consumer as to the categories of personal information to be collected and the purposes for which the categories of personal information shall be used. Requires the business to provide notice when collecting additional categories of personal information or when using a consumer's personal information for additional purposes. Provides that a consumer has the right to request that a business delete any personal information about the consumer that the business has collected from the consumer, with some exceptions. Requires a business that collects or sells a consumer's personal information to make certain disclosures to the consumer upon receipt of a verifiable consumer request. Provides that a consumer has the right, at any time, to opt out of the sale of his or her personal information to third parties. Prohibits a business from discriminating against a consumer who exercises any of the rights established under the Act by denying goods or services or charging the consumer different prices or rates for goods or services. Permits a business to provide financial incentives to a consumer that authorizes the sale of his or her personal information. Contains provisions concerning deadlines for processing a consumer's disclosure request; categories of personal information that must be disclosed; notice requirements; consumer information that is not subject to the Act's requirements; civil penalties for violations of the Act; and other matters. Amends the State Finance Act. Creates the Consumer Privacy Fund. Effective January 1, 2021.

LRB101 16653 JLS 70232 b

FISCAL NOTE ACT MAY APPLY

1 AN ACT concerning business.

## Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 1. Short title. This Act may be cited as the Consumer Privacy Act.
- 6 Section 5. Definitions. As used in this Act:
- 7 (a) "Aggregate consumer information" means information
  8 that relates to a group or category of consumers, from which
  9 individual consumer identities have been removed, that is not
  10 linked or reasonably linkable to any consumer or household,
  11 including via a device. "Aggregate consumer information" does
  12 not mean one or more individual consumer records that have been
  13 deidentified.
- 14 "Biometric information" means individual's (b) an physiological, biological, or behavioral characteristics that 15 can be used, singly or in combination with each other or with 16 17 other identifying data, to establish individual identity. "Biometric information" includes, but is not limited to, 18 19 imagery of the iris, retina, fingerprint, face, hand, palm, 20 vein patterns, and voice recordings, from which an identifier 21 template, such as a faceprint, a minutiae template, or a 22 voiceprint, can be extracted, and keystroke patterns or rhythms, gait patterns or rhythms, and sleep, health, or 23

exercise data that contain identifying information.

#### (c) "Business" means:

- (1) 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, or on behalf of which such information is collected and that alone, or jointly with others, determines the purposes and means of the processing of consumers' personal information, that does business in this State, and that satisfies one or more of the following thresholds:
  - (A) Has annual gross revenues in excess of \$25,000,000, as adjusted in accordance with paragraph (5) of subsection (a) of Section 75.
  - (B) Alone or in combination, annually buys, receives for the business's commercial purposes, sells, or shares for commercial purposes, alone or in combination, the personal information of 50,000 or more consumers, households, or devices.
  - (C) Derives 50% or more of its annual revenues from selling consumers' personal information.
- (2) Any entity that controls or is controlled by a business, as defined in paragraph (1), and that shares common branding with the business. "Control" or "controlled" means ownership of, or the power to vote, more

than 50% of the outstanding shares of any class of voting security of a business; control in any manner over the election of a majority of the directors, or of individuals exercising similar functions; or the power to exercise a controlling influence over the management of a company. "Common branding" means a shared name, servicemark, or trademark.

- (d) "Business purpose" means the use of personal information for the business's or a service provider's operational purposes, or other notified purposes, provided that the use of personal information is reasonably necessary and proportionate to achieve the operational purpose for which the personal information was collected or processed or for another operational purpose that is compatible with the context in which the personal information was collected. Business purposes are:
  - (1) Auditing related to a current interaction with the consumer and concurrent transactions, including, but not limited to, counting ad impressions to unique visitors, verifying positioning and quality of ad impressions, and auditing compliance with this specification and other standards.
  - (2) Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity, and prosecuting those responsible for that activity.
    - (3) Debugging to identify and repair errors that impair

existing intended functionality.

- (4) Short-term, transient use, provided that the personal information is not disclosed to another third party and is not used to build a profile about a consumer or otherwise alter an individual consumer's experience outside the current interaction, including, but not limited to, the contextual customization of ads shown as part of the same interaction.
- (5) Performing services on behalf of the business or service provider, including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying customer information, processing payments, providing financing, providing advertising or marketing services, providing analytic services, or providing similar services on behalf of the business or service provider.
- (6) Undertaking internal research for technological development and demonstration.
- (7) Undertaking activities to verify or maintain the quality or safety of a service or device that is owned, manufactured, or controlled by the business, and to improve, upgrade, or enhance the service or device that is owned, manufactured, manufactured for, or controlled by the business.
- (e) "Collects", "collected", or "collection" means buying, renting, gathering, obtaining, receiving, or accessing any

- 1 personal information pertaining to a consumer by any means.
- 2 This includes receiving information from the consumer, either
- 3 actively or passively, or by observing the consumer's behavior.
- 4 (f) "Commercial purposes" means to advance a person's
- 5 commercial or economic interests, such as by inducing another
- 6 person to buy, rent, lease, join, subscribe to, provide, or
- 7 exchange products, goods, property, information, or services,
- 8 or enabling or effecting, directly or indirectly, a commercial
- 9 transaction. "Commercial purposes" do not include for the
- 10 purpose of engaging in speech that State or federal courts have
- 11 recognized as noncommercial speech, including political speech
- 12 and journalism.
- 13 (g) "Consumer" means a natural person who is an Illinois
- 14 resident, as defined in Section 5 of the Hospital Uninsured
- 15 Patient Discount Act, however identified, including by any
- 16 unique identifier.
- 17 (h) "Deidentified" means information that cannot
- 18 reasonably identify, relate to, describe, be capable of being
- 19 associated with, or be linked, directly or indirectly, to a
- 20 particular consumer, provided that a business that uses
- 21 deidentified information:
- 22 (1) Has implemented technical safeguards that prohibit
- reidentification of the consumer to whom the information
- 24 may pertain.
- 25 (2) Has implemented business processes that
- 26 specifically prohibit reidentification of the information.

- 1 (3) Has implemented business processes to prevent 2 inadvertent release of deidentified information.
  - (4) Makes no attempt to reidentify the information.
  - (i) "Designated methods for submitting requests" means a mailing address, email address, Internet web page, Internet web portal, toll-free telephone number, or other applicable contact information whereby consumers may submit a request or direction under this Act, and any new, consumer-friendly means of contacting a business, as approved by the Attorney General under Section 75.
  - (j) "Device" means any physical object that is capable of connecting to the Internet, directly or indirectly, or to another device.
  - (k) "Homepage" means the introductory page of a website and any Internet web page where personal information is collected. In the case of an online service, such as a mobile application, "homepage" means the application's platform page or download page, a link within the application, such as from the application configuration, "About", "Information", or settings page, and any other location that allows consumers to review the notice required by subsection (a) of Section 50, including, but not limited to, before downloading the application.
  - (1) "Infer" or "inference" means the derivation of information, data, assumptions, or conclusions from facts, evidence, or another source of information or data.
    - (m) "Person" means an individual, proprietorship, firm,

- partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.
  - (n) (1) "Personal information" means information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. "Personal information" includes, but is not limited to, the following if it identifies, relates to, describes, is capable of being associated with, or could be reasonably linked, directly or indirectly, with a particular consumer or household:
    - (A) Identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver's license number, passport number, or other similar identifiers.
    - (B) Any personal information that identifies, relates to, describes, or is capable of being associated with, a particular individual, including, but not limited to, his or her name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or State identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other

financial	information,	medical	information,	or health
insurance	information.	"Personal	information	" does not
include pu	ublicly availa	ble infor	mation that	is lawfully
made avail	able to the ge	eneral pub	olic from fede	eral, State,
or local q	overnment reco	rds.		

- (C) Characteristics of protected classifications under State or federal law.
- (D) Commercial information, including records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.
  - (E) Biometric information.
- (F) Internet or other electronic network activity information, including, but not limited to, browsing history, search history, and information regarding a consumer's interaction with an Internet website, application, or advertisement.
  - (G) Geolocation data.
- (H) Audio, electronic, visual, thermal, olfactory, or similar information.
  - (I) Professional or employment-related information.
- (J) Education information, defined as information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 U.S.C. 1232g; 34 CFR Part 99).
- 26 (K) Inferences drawn from any of the information

- identified in this subsection to create a profile about a consumer reflecting the consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.
  - (2) "Personal information" does not include publicly available information. For purposes of this subsection, "publicly available" means information that is lawfully made available from federal, State, or local government records. "Publicly available" does not mean biometric information collected by a business about a consumer without the consumer's knowledge. Information is not publicly available if that data is used for a purpose that is not compatible with the purpose for which the data is maintained and made available in the government records or for which it is publicly maintained. "Personal information" does not include consumer information that is deidentified or aggregate consumer information.
    - (o) "Probabilistic identifier" means the identification of a consumer or a device to a degree of certainty of more probable than not based on any categories of personal information included in, or similar to, the categories enumerated in the definition of personal information.
    - (p) "Processing" means any operation or set of operations that are performed on personal data or on sets of personal data, whether or not by automated means.
- 26 (q) "Pseudonymize" or "pseudonymization" means the

- processing of personal information in a manner that renders the personal information no longer attributable to a specific consumer without the use of additional information, provided that the additional information is kept separately and is subject to technical and organizational measures to ensure that the personal information is not attributed to an identified or identifiable consumer.
  - (r) "Research" means scientific, systematic study and observation, including basic research or applied research that is in the public interest and that adheres to all other applicable ethics and privacy laws or studies conducted in the public interest in the area of public health. Research with personal information that may have been collected from a consumer in the course of the consumer's interactions with a business's service or device for other purposes:
    - (1) Shall be compatible with the business purpose for which the personal information was collected.
    - (2) Shall be subsequently pseudonymized and deidentified, or deidentified and in the aggregate, such that the information cannot reasonably identify, relate to, describe, be capable of being associated with, or be linked, directly or indirectly, to a particular consumer.
    - (3) Shall be made subject to technical safeguards that prohibit reidentification of the consumer to whom the information may pertain.
      - (4) Shall be subject to business processes that

- 1 specifically prohibit reidentification of the information.
  - (5) Shall be made subject to business processes to prevent inadvertent release of deidentified information.
    - (6) Shall be protected from any reidentification attempts.
    - (7) Shall be used solely for research purposes that are compatible with the context in which the personal information was collected.
      - (8) Shall not be used for any commercial purpose.
    - (9) Shall be subjected by the business conducting the research to additional security controls that limit access to the research data to only those individuals in a business as are necessary to carry out the research purpose.
    - (s) (1) "Sell", "selling", "sale", or "sold" means selling, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by electronic or other means, a consumer's personal information by the business to another business or a third party for monetary or other valuable consideration.
    - (2) For purposes of this Act, a business does not sell personal information when:
      - (A) A consumer uses or directs the business to intentionally disclose personal information or uses the business to intentionally interact with a third party, provided the third party does not also sell the personal

information, unless that disclosure would be consistent with the provisions of this Act. An intentional interaction occurs when the consumer intends to interact with the third party, via one or more deliberate interactions. Hovering over, muting, pausing, or closing a given piece of content does not constitute a consumer's intent to interact with a third party.

- (B) The business uses or shares an identifier for a consumer who has opted out of the sale of the consumer's personal information for the purposes of alerting third parties that the consumer has opted out of the sale of the consumer's personal information.
- (C) The business uses or shares with a service provider personal information of a consumer that is necessary to perform a business purpose if both of the following conditions are met:
  - (i) The business has provided notice of that information being used or shared in its terms and conditions consistent with Section 45.
  - (ii) The service provider does not further collect, sell, or use the personal information of the consumer except as necessary to perform the business purpose.
- (D) The business transfers to a third party the personal information of a consumer 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 business, provided that information is used or shared consistently with Sections 20 and 25. If a third party materially alters how it uses or shares the personal information of a consumer in a manner that is materially inconsistent with the promises made at the time of collection, it shall provide prior notice of the new or changed practice to the consumer. The notice shall be sufficiently prominent and robust to ensure that existing consumers can easily exercise their choices consistently with Section 30. This subparagraph does not authorize a business to make material, retroactive privacy policy changes or make other changes in their privacy policy in a manner that would violate the Uniform Deceptive Trade Practices Act.

- (t) "Service" or "services" means work, labor, and services, including services furnished in connection with the sale or repair of goods.
- (u) "Service provider" 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 processes information on behalf of a business and to which the business discloses a consumer's personal information for a business purpose in accordance with a written contract, provided that the contract

prohibits the entity receiving the information from retaining,
using, or disclosing the personal information for any purpose
other than for the specific purpose of performing the services
specified in the contract for the business, or as otherwise
permitted by this Act, including retaining, using, or
disclosing the personal information for a commercial purpose
other than providing the services specified in the contract
with the business.

- 9 (v) "Third party" means a person who is not any of the following:
  - (1) The business that collects personal information from consumers under this Act.
  - (2) (A) A person to whom the business discloses a consumer's personal information for a business purpose in accordance with a written contract, provided that the contract:
    - (i) Prohibits the person receiving the personal information from:
      - (I) Selling the personal information.
      - (II) Retaining, using, or disclosing the personal information for any purpose other than for the specific purpose of performing the services specified in the contract, including retaining, using, or disclosing the personal information for a commercial purpose other than providing the services specified in the contract.

_	(III)	Retaining,	using,	or	disclo	sing	the
2	information	n outside	of th	ie d	direct	busin	ness
3	relationsh	ip between t	he perso	n and	d the bu	sines	s.

- (ii) Includes a certification made by the person receiving the personal information that the person understands the restrictions in subparagraph (A) and will comply with them.
- (B) A person covered by this paragraph who violates any of the restrictions set forth in this Act shall be liable for the violations. A business that discloses personal information to a person covered by this paragraph in compliance with this paragraph shall not be liable under this Act if the person receiving the personal information uses it in violation of the restrictions set forth in this Act, provided that, at the time of disclosing the personal information, the business does not have actual knowledge, or reason to believe, that the person intends to commit such a violation.
- (w) "Unique identifier" or "unique personal identifier" means a persistent identifier that can be used to recognize a consumer, a family, or a device that is linked to a consumer or family, over time and across different services, including, but not limited to, a device identifier; an Internet Protocol address; cookies, beacons, pixel tags, mobile ad identifiers, or similar technology; customer number, unique pseudonym, or user alias; telephone numbers, or other forms of persistent or

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- probabilistic identifiers that can be used to identify a particular consumer or device. As used in this subsection, means a custodial parent or guardian and any minor children over which the parent or guardian has custody.
  - (x) "Verifiable consumer request" means a request that is made by a consumer, by a consumer on behalf of the consumer's minor child, or by a natural person or a person registered with the Secretary of State, authorized by the consumer to act on the consumer's behalf, and that the business can reasonably verify, in accordance with rules adopted by the Attorney General under paragraph (7) of subsection (a) of Section 75 to be the consumer about whom the business has collected personal information. A business is not obligated to provide information to the consumer in accordance with Sections 20 and 25 if the business cannot verify, in accordance with this subsection and rules adopted by the Attorney General under paragraph (7) of subsection (a) of Section 75, that the consumer making the request is the consumer about whom the business has collected information or is a person authorized by the consumer to act on such consumer's behalf.
- 21 Section 10. Personal information; business collection and 22 disclosure.
  - (a) A consumer has the right to request that a business that collects the consumer's personal information disclose to that consumer the categories and specific pieces of personal

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- information the business has collected. 1
- A business that collects a consumer's personal (b) information shall, at or before the point of collection, inform the consumer as to the categories of personal information to be collected and the purposes for which the categories of personal information shall be used. A business shall not collect 7 additional categories of personal information or use personal information collected for additional purposes without providing the consumer with notice consistent with this Section.
  - (c) A business shall provide the information specified in subsection (a) to a consumer only upon receipt of a verifiable consumer request.
  - (d) A business that receives a verifiable consumer request from a consumer to access personal information shall promptly take steps to disclose and deliver, free of charge to the consumer, the personal information required by this Section. The information may be delivered by mail or electronically, and if provided electronically, the information shall be in a portable and, to the extent technically feasible, in a readily usable format that allows the consumer to transmit this information to another entity without hindrance. A business may provide personal information to a consumer at any time, but shall not be required to provide personal information to a consumer more than twice in a 12-month period.
    - (e) This Section does not require a business to retain any

- 1 personal information collected for a single, one-time
- transaction, if such information is not sold or retained by the
- 3 business or to reidentify or otherwise link information that is
- 4 not maintained in a manner that would be considered personal
- 5 information.
- 6 Section 15. Consumer request to delete personal
- 7 information.
- 8 (a) A consumer has the right to request that a business
- 9 delete any personal information about the consumer which the
- 10 business has collected from the consumer.
- 11 (b) A business that collects personal information about
- 12 consumers shall disclose, in accordance with Section 40, the
- 13 consumer's rights to request the deletion of the consumer's
- 14 personal information.
- 15 (c) A business that receives a verifiable consumer request
- from a consumer to delete the consumer's personal information
- in accordance with subsection (a) shall delete the consumer's
- 18 personal information from its records and direct any service
- 19 providers to delete the consumer's personal information from
- 20 their records.
- 21 (d) A business or a service provider shall not be required
- 22 to comply with a consumer's request to delete the consumer's
- 23 personal information if it is necessary for the business or
- 24 service provider to maintain the consumer's personal
- 25 information in order to:

- (1) Complete the transaction for which the personal information was collected; provide a good or service requested by the consumer; or perform actions that are reasonably anticipated within the context of a business's ongoing business relationship with the consumer; or otherwise perform a contract between the business and the consumer.
- (2) Detect security incidents; protect against malicious, deceptive, fraudulent, or illegal activity; or prosecute those responsible for that activity.
- (3) Debug to identify and repair errors that impair existing intended functionality.
- (4) Exercise free speech, ensure the right of another consumer to exercise his or her right of free speech, or exercise another right provided for by law.
- (5) Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the businesses' deletion of the information is likely to render impossible or seriously impair the achievement of such research, if the consumer has provided informed consent.
- (6) Enable solely internal uses that are reasonably aligned with the expectations of the consumer based on the consumer's relationship with the business.
  - (7) Comply with a legal obligation.

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1	(8) Otherwise use the consumer's personal information,
2	internally, in a lawful manner that is compatible with the
3	context in which the consumer provided the information.

- Section 20. Consumer request to disclose categories of information collected.
- 6 (a) A consumer has the right to request that a business
  7 that collects personal information about the consumer disclose
  8 to the consumer the following:
- 9 (1) The categories of personal information it has collected about that consumer.
  - (2) The categories of sources from which the personal information is collected.
    - (3) The business or commercial purpose for collecting or selling personal information.
      - (4) The categories of third parties with whom the business shares personal information.
      - (5) The specific pieces of personal information it has collected about that consumer.
    - (b) A business that collects personal information about a consumer shall disclose to the consumer, in accordance with paragraph (3) of subsection (a) of Section 40, the information specified in subsection (a) upon receipt of a verifiable consumer request from the consumer.
  - (c) A business that collects personal information about consumers shall disclose, in accordance with subparagraph (B)

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- of paragraph (5) of subsection (a) of Section 40:
- 2 (1) The categories of personal information it has collected about that consumer.
- (2) The categories of sources from which the personal information is collected.
  - (3) The business or commercial purpose for collecting or selling personal information.
- 8 (4) The categories of third parties with whom the 9 business shares personal information.
- Section 25. Consumer request to disclose categories of information sold.
  - (a) A consumer has the right to request that a business that sells the consumer's personal information, or that discloses it for a business purpose, disclose to that consumer:
    - (1) The categories of personal information that the business collected about the consumer.
    - (2) The categories of personal information that the business sold about the consumer and the categories of third parties to whom the personal information was sold, by category or categories of personal information for each third party to whom the personal information was sold.
    - (3) The categories of personal information that the business disclosed about the consumer for a business purpose.
    - (b) A business that sells personal information about a

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- consumer, or that discloses a consumer's personal information for a business purpose, shall disclose, in accordance with paragraph (4) of subsection (a) of Section 40, the information specified in subsection (a) to the consumer upon receipt of a verifiable consumer request from the consumer.
- 6 (c) A business that sells consumers' personal information,
  7 or that discloses consumers' personal information for a
  8 business purpose, shall disclose, in accordance with
  9 subparagraph (C) of paragraph (5) of subsection (a) of Section
  10 40:
- 11 (1) The category or categories of personal information 12 it has sold, or if the business has not sold consumers' 13 personal information, it shall disclose that fact.
  - (2) The category or categories of personal information it has disclosed for a business purpose, or if the business has not disclosed consumers' personal information for a business purpose, it shall disclose that fact.
  - (d) A third party shall not sell personal information about a consumer that has been sold to the third party by a business unless the consumer has received explicit notice and is provided an opportunity to exercise the right to opt out under Section 30.
- 23 Section 30. Right to opt out.
- 24 (a) A consumer has the right, at any time, to direct a 25 business that sells personal information about the consumer to

- 1 third parties not to sell the consumer's personal information.
- 2 This right may be referred to as the right to opt out.
  - (b) A business that sells consumers' personal information to third parties shall provide notice to consumers, in accordance with subsection (a) of Section 45, that this information may be sold and that consumers have the right to opt out of the sale of their personal information.
    - (c) Notwithstanding subsection (a), a business shall not sell the personal information of consumers if the business has actual knowledge that the consumer is less than 16 years of age, unless the consumer, in the case of consumers who are at least 13 years of age and not yet 16 years old, or the consumer's parent or guardian, in the case of consumers who are less than 13 years of age, has affirmatively authorized the sale of the consumer's personal information. A business that willfully disregards the consumer's age shall be deemed to have had actual knowledge of the consumer's age. This right may be referred to as the right to opt in.
    - (d) A business that has received direction from a consumer not to sell the consumer's personal information, or in the case of a minor consumer's personal information has not received consent to sell the minor consumer's personal information, shall be prohibited, in accordance with paragraph (4) of subsection (a) of Section 45, from selling the consumer's personal information after its receipt of the consumer's direction, unless the consumer subsequently provides express

- 1 authorization for the sale of the consumer's personal
- 2 information.

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- 3 Section 35. Prohibited practices.
- 4 (a) (1) A business shall not discriminate against a consumer 5 because the consumer exercised any of the consumer's rights
- 6 under this Act, including, but not limited to, by:
  - (A) Denying goods or services to the consumer.
  - (B) Charging different prices or rates for goods or services, including through the use of discounts or other benefits or imposing penalties.
- 11 (C) Providing a different level or quality of goods or 12 services to the consumer.
  - Suggesting that the consumer will receive a different price or rate for goods or services or a different level or quality of goods or services.
    - (2) Nothing in this subsection prohibits a business from charging a consumer a different price or rate, or from providing a different level or quality of goods or services to the consumer, if that difference is reasonably related to the value provided to the consumer by the consumer's data.
- (b)(1) A business may offer financial incentives, including payments to consumers as compensation, for the collection of personal information, the sale of personal information, or the deletion of personal information. A 25 business may also offer a different price, rate, level, or

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- quality of goods or services to the consumer if that price or difference is directly related to the value provided to the business by the consumer's data.
  - (2) A business that offers any financial incentives in accordance with this subsection, shall notify consumers of the financial incentives as provided under Section 45.
  - (3) A business may enter a consumer into a financial incentive program only if the consumer gives the business prior opt-in consent in accordance with Section 45 which clearly describes the material terms of the financial incentive program and which may be revoked by the consumer at any time.
- 12 (4) A business shall not use financial incentive practices 13 that are unjust, unreasonable, coercive, or usurious in nature.
- 14 Section 40. Processing disclosure requests; deadlines.
  - (a) In order to comply with Sections 10, 15, 20, 25, and 35, a business shall, in a form that is reasonably accessible to consumers:
    - (1) Make available to consumers 2 or more designated methods for submitting requests for information required to be disclosed under Sections 20 and 25, including, at a minimum, a toll-free telephone number, and if the business maintains a website, a website address.
    - (2) Disclose and deliver the required information to a consumer free of charge within 45 days of receiving a verifiable consumer request from the consumer. The

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business shall promptly take steps to determine whether the request is a verifiable consumer request, but this shall not extend the business's duty to disclose and deliver the information within 45 days of receipt of the consumer's The time period to provide the information may be extended once by an additional 45 days when reasonably necessary, provided the consumer is provided notice of the extension within the first 45-day period. The disclosure shall cover the 12-month period preceding the business's receipt of the verifiable consumer request and shall be made in writing and delivered through the consumer's account with the business, if the consumer maintains an account with the business, or by mail or electronically at the consumer's option if the consumer does not maintain an account with the business, in a readily usable format that allows the consumer to transmit this information from one entity to another entity without hindrance. The business shall not require the consumer to create an account with the business in order to make a verifiable consumer request.

- (3) For purposes of subsection (b) of Section 20:
- (A) To identify the consumer, associate the information provided by the consumer in the verifiable consumer request to any personal information previously collected by the business about the consumer.

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(B) Identify by category or categories the personal information collected about the consumer in the preceding 12 months by reference to the enumerated category or categories in subsection (c) that most closely describes the personal information collected.

### (4) For purposes of subsection (b) of Section 25:

- Identify the consumer and associate the (A) information provided by the consumer in the verifiable consumer request to any personal information previously collected by the business about the consumer.
- Identify by category or categories (B) the personal information of the consumer that the business sold in the preceding 12 months by reference to the enumerated category in subsection (c) that most closely describes the personal information, provide the categories of third parties to whom the consumer's personal information was sold in preceding 12 months by reference to the enumerated category or categories in subsection (c) that most closely describes the personal information sold. The business shall disclose the information in a list that is separate from a list generated for the purposes of subparagraph (C).
- Identify by category or categories (C) personal information of the consumer that the business

disclosed for a business purpose in the preceding 12 months by reference to the enumerated category or categories in subsection (c) that most closely describes the personal information, and provide the categories of third parties to whom the consumer's personal information was disclosed for a business purpose in the preceding 12 months by reference to the enumerated category or categories in subsection (c) that most closely describes the personal information disclosed. The business shall disclose the information in a list that is separate from a list generated for the purposes of subparagraph (B).

- (5) Disclose the following information in its online privacy policy or policies if the business has an online privacy policy or policies and in any Illinois-specific description of consumers' privacy rights, or if the business does not maintain those policies, on its website, and update that information at least once every 12 months:
  - (A) A description of a consumer's rights under Sections 20, 25, and 35 and one or more designated methods for submitting requests.
  - (B) For purposes of subsection (c) of Section 20, a list of the categories of personal information it has collected about consumers in the preceding 12 months by reference to the enumerated category or categories in subsection (c) that most closely describe the personal

information collected.

- (C) For purposes of paragraphs (1) and (2) of subsection (c) of Section 25, 2 separate lists:
  - (i) A list of the categories of personal information it has sold about consumers in the preceding 12 months by reference to the enumerated category or categories in subsection (c) of this Section that most closely describe the personal information sold, or if the business has not sold consumers' personal information in the preceding 12 months, the business shall disclose that fact.
  - (ii) A list of the categories of personal information it has disclosed about consumers for a business purpose in the preceding 12 months by reference to the enumerated category or categories in subsection (c) that most closely describe the personal information disclosed, or if the business has not disclosed consumers' personal information for a business purpose in the preceding 12 months, the business shall disclose that fact.
- (6) Ensure that all individuals responsible for handling consumer inquiries about the business's privacy practices or the business's compliance with this Act are informed of all requirements under Sections 20, 25, and 35, and the requirements under this Section, and how to direct consumers to exercise their rights under Sections 20, 25,

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1 and 35 and under this Section.

- 2 (7) Use any personal information collected from the 3 consumer in connection with the business's verification of 4 the consumer's request solely for the purposes of 5 verification.
  - (b) A business is not obligated to provide the information required under Sections 20 and 25 to the same consumer more than twice in a 12-month period.
    - (c) The categories of personal information required to be disclosed under Sections 20 and 25 shall follow the definition of personal information in Section 5.
- 12 Section 45. Informational web page.
  - (a) A business that is required to comply with Section 30 shall, in a form that is reasonably accessible to consumers:
    - (1) Provide a clear and conspicuous link on the business's Internet homepage, titled "Do Not Sell My Personal Information", to an Internet web page that enables a consumer, or a person authorized by the consumer, to opt out of the sale of the consumer's personal information. A business shall not require a consumer to create an account in order to direct the business not to sell the consumer's personal information.
    - (2) Include a description of a consumer's rights in accordance with Section 30, along with a separate link to the "Do Not Sell My Personal Information" Internet web page

l in:	:

- (A) Its online privacy policy or policies if the business has an online privacy policy or policies.
  - (B) Any Illinois-specific description of consumers' privacy rights.
  - (3) Ensure that all individuals responsible for handling consumer inquiries about the business's privacy practices or the business's compliance with this Act are informed of all requirements under Section 30 and this Section and how to direct consumers to exercise their rights under Section 30 and this Section.
  - (4) For consumers who exercise their right to opt out of the sale of their personal information, refrain from selling personal information collected by the business about the consumer.
  - (5) For a consumer who has opted out of the sale of the consumer's personal information, respect the consumer's decision to opt out for at least 12 months before requesting that the consumer authorize the sale of the consumer's personal information.
  - (6) Use any personal information collected from the consumer in connection with the submission of the consumer's opt-out request solely for the purposes of complying with the opt-out request.
  - (b) Nothing in this Act shall be construed to require a business to comply with this Act by including the required

- links and text on the homepage that the business makes available to the public generally, if the business maintains a separate and additional homepage that is dedicated to Illinois consumers and that includes the required links and text, and the business takes reasonable steps to ensure that Illinois consumers are directed to the homepage for Illinois consumers and not the homepage made available to the public generally.
  - (c) A consumer may authorize another person solely to opt out of the sale of the consumer's personal information on the consumer's behalf, and a business shall comply with an opt-out request received from a person authorized by the consumer to act on the consumer's behalf, in accordance with rules adopted by the Attorney General.
- 14 Section 50. Compliance with other laws or regulations.
- 15 (a) The obligations imposed on businesses by this Act shall not restrict a business's ability to:
- 17 (1) Comply with federal, State, or local laws.
  - (2) Comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, State, or local authorities.
    - (3) Cooperate with law enforcement agencies concerning conduct or activity that the business, service provider, or third party reasonably and in good faith believes may violate federal, State, or local law.
  - (4) Exercise or defend legal claims.

- (5) Collect, use, retain, sell, or disclose consumer information that is deidentified or in the aggregate consumer information.
  - (6) Collect or sell a consumer's personal information if every aspect of that commercial conduct takes place wholly outside of Illinois. For purposes of this Act, commercial conduct takes place wholly outside of Illinois if the business collected that information while the consumer was outside of Illinois, no part of the sale of the consumer's personal information occurred in Illinois, and no personal information collected while the consumer was in Illinois is sold.
  - (b) The obligations imposed on businesses by Sections 20 through 45 shall not: (i) apply where compliance by the business with this Act would violate an evidentiary privilege under Illinois law; and (ii) prevent a business from providing the personal information of a consumer to a person covered by an evidentiary privilege under Illinois law as part of a privileged communication.
    - (c) (1) This Act does not apply to any of the following:
    - (A) Medical information protected from disclosure under State confidentiality laws on patient health information or protected health information that is collected by a covered entity or business associate governed by the privacy, security, and breach notification rules issued by the United States Department of Health and

Human Services, Parts 160 and 164 of Title 45 of the Code of Federal Regulations, established in accordance with the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and the Health Information Technology for Economic and Clinical Health Act (Public Law 111-5).

- (B) A provider of health care governed by State confidentiality laws on patient health information or a covered entity governed by the privacy, security, and breach notification rules issued by the United States Department of Health and Human Services, Parts 160 and 164 of Title 45 of the Code of Federal Regulations, established in accordance the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), to the extent the provider or covered entity maintains personal information in the same manner as medical information or protected health information as described in subparagraph (A).
- (C) Information collected as part of a clinical trial subject to the Federal Policy for the Protection of Human Subjects, also known as the Common Rule, in accordance with good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use or in accordance with human subject protection requirements of the United States Food and Drug Administration.

(2) As used in this Section:

"Medical information" means any individually identifiable information, in electronic or physical form, in possession of or derived from a provider of health care, health care service plan, pharmaceutical company, or contractor regarding a patient's medical history, mental or physical condition, or treatment. "Individually identifiable" means that the medical information includes or contains any element of personal identifying information sufficient to allow identification of the individual, such as the patient's name, address, electronic mail address, telephone number, or social security number, or other information that, alone or in combination with other publicly available information, reveals the individual's identity.

"Provider of health care" means any physician, hospital facility, facility licensed under the Nursing Home Care Act, long-term care facility as defined in Section 1-113 of the Nursing Home Care Act, or other person that is licensed or otherwise authorized to deliver health care services.

"Business associate", "covered entity", and "protected health information" have the meanings ascribed to those terms in Section 160.103 of Title 45 of the Code of Federal Regulations.

(d) This Act does not apply to the sale of personal information to or from a consumer reporting agency if that information is to be reported in, or used to generate, a

- consumer report as defined in subsection (d) of Section 1681a of Title 15 of the United States Code, and use of that information is limited by the federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.).
  - (e) This Act does not apply to personal information collected, processed, sold, or disclosed in accordance with the federal Gramm-Leach-Bliley Act, Public Law 106-102, and implementing regulations, or the Illinois Banking Act. This subsection does not apply to Section 55.
  - (f) This Act does not apply to personal information collected, processed, sold, or disclosed in accordance with the Driver's Privacy Protection Act of 1994 (18 U.S.C. 2721 et seq.). This subsection does not apply to Section 55.
  - (g) Notwithstanding a business's obligation to respond to and honor consumer rights requests in accordance with this Act:
    - (1) A time period for a business to respond to any verified consumer request may be extended by up to 90 additional days where necessary, taking into account the complexity and number of the requests. The business shall inform the consumer of any such extension within 45 days of receipt of the request, together with the reasons for the delay.
    - (2) If the business does not take action on the request of the consumer, the business shall inform the consumer, without delay and at the latest within the time period permitted of response by this Section, of the reasons for

not taking action and any rights the consumer may have to appeal the decision to the business.

- (3) If requests from a consumer are manifestly unfounded or excessive, in particular because of their repetitive character, a business may either charge a reasonable fee, taking into account the administrative costs of providing the information or communication or taking the action requested, or refuse to act on the request and notify the consumer of the reason for refusing the request. The business shall bear the burden of demonstrating that any verified consumer request is manifestly unfounded or excessive.
- (h) A business that discloses personal information to a service provider shall not be liable under this Act if the service provider receiving the personal information uses it in violation of the restrictions set forth in this Act, provided that, at the time of disclosing the personal information, the business does not have actual knowledge, or reason to believe, that the service provider intends to commit such a violation. A service provider shall likewise not be liable under this Act for the obligations of a business for which it provides services as set forth in this Act.
- (i) This Act shall not be construed to require a business to reidentify or otherwise link information that is not maintained in a manner that would be considered personal information.

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(j) The rights afforded to consumers and the obligations imposed on the business in this Act shall not adversely affect the rights and freedoms of other consumers.

Section 55. Civil actions.

- (a) (1) Any consumer whose unencrypted or unredacted personal information, as defined in Section 5 of the Personal Information Protection Act, is subject to an unauthorized access and exfiltration, theft, or disclosure as a result of the business's violation of the duty to implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect the personal information may institute a civil action for any of the following:
  - (A) Recovery of damages in an amount not less than \$100 and not greater than \$750 per consumer per incident or actual damages, whichever is greater.
    - (B) Injunctive or declaratory relief.
- (C) Any other relief the court deems proper.
  - (2) In assessing the amount of statutory damages, the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including, but not limited to, the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's

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1 assets, liabilities, and net worth.

- (b) Actions under this Section may be brought by a consumer if, prior to initiating any action against a business for statutory damages on an individual or class-wide basis, a consumer provides a business 30 days' written notice identifying the specific provisions of this Act the consumer alleges have been or are being violated. If a cure is possible, if within the 30 days the business actually cures the noticed violation and provides the consumer an express written statement that the violations have been cured and that no further violations shall occur, no action for individual statutory damages or class-wide statutory damages may be initiated against the business. No notice shall be required prior to an individual consumer initiating an action solely for actual pecuniary damages suffered as a result of the alleged violations of this Act. If a business continues to violate this Act in breach of the express written statement provided to the consumer under this Section, the consumer may initiate an action against the business to enforce the written statement and may pursue statutory damages for each breach of the express written statement, as well as any other violation of the title that postdates the written statement.
- (c) The cause of action established by this Section applies only to violations as defined in subsection (a) and shall not be based on violations of any other Section of this Act. Nothing in this Act shall be interpreted to serve as the basis

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- 1 for a private right of action under any other law. This shall
- 2 not be construed to relieve any party from any duties or
- 3 obligations imposed under other law or the United States or
- 4 Illinois Constitution.
- 5 Section 60. Attorney General enforcement.
- 6 (a) Any business or third party may seek the opinion of the
  7 Attorney General for guidance on how to comply with the
  8 provisions of this Act.
  - (b) A business shall be in violation of this Act if it fails to cure any alleged violation within 30 days after being notified of alleged noncompliance. Any business, service provider, or other person that violates this Act shall be subject to an injunction and liable for a civil penalty of not more than \$2,500 for each violation or \$7,500 for each intentional violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of Illinois by the Attorney General. The civil penalties provided for in this Section shall be exclusively assessed and recovered in a civil action brought in the name of the people of the State of Illinois by the Attorney General.
    - (c) Any civil penalty assessed for a violation of this Act, and the proceeds of any settlement of an action brought under subsection (b), shall be deposited into the Consumer Privacy Fund, created under Section 65, with the intent to fully offset any costs incurred by the State courts and the Attorney General

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- 1 in connection with this Act.
- 2 Section 65. Consumer Privacy Fund.
  - (a) The Consumer Privacy Fund is created as a special fund in the State treasury. The Fund shall consist of any moneys deposited into the Fund as provided in subsection (c) of Section 60 and any moneys appropriated to the Attorney General for the purposes of this Section from the General Revenue Fund.
  - (b) Moneys in the Consumer Privacy Fund shall be used, subject to appropriation, to offset any costs incurred by the State courts in connection with actions brought to enforce this Act and any costs incurred by the Attorney General in carrying out the Attorney General's duties under this Act and for no other purpose. All interest earned on moneys in the Fund shall be deposited into the Fund.

Section 70. Conflict of laws. The provisions of this Act are not limited to information collected electronically or over the Internet, but apply to the collection and sale of all personal information collected by a business from consumers. Wherever possible, law relating to consumers' personal information should be construed to harmonize with the provisions of this Act, but in the event of a conflict between other laws and the provisions of this Act, the provisions of the law that afford the greatest privacy protection for consumers shall control.

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- 1 Section 75. Attorney General; rules.
  - (a) On or before July 1, 2021, the Attorney General shall solicit broad public participation and adopt rules to further the purposes of this Act, including, but not limited to, the following areas:
    - (1) Updating as needed additional categories of personal information to those enumerated in subsection (c) of Section 40 and subsection (n) of Section 5 in order to address changes in technology, data collection practices, obstacles to implementation, and privacy concerns.
    - (2) Updating as needed the definition of unique identifiers to address changes in technology, data collection, obstacles to implementation, and privacy concerns, and additional categories to the definition of designated methods for submitting requests to facilitate a consumer's ability to obtain information from a business in accordance with Section 40.
    - (3) Establishing any exceptions necessary to comply with State or federal law, including, but not limited to, those relating to trade secrets and intellectual property rights, within one year of the effective date of this Act and as needed thereafter.
    - (4) Establishing rules and procedures for the following:
      - (A) To facilitate and govern the submission of a

- request by a consumer to opt out of the sale of personal information under Section 30.
  - (B) To govern business compliance with a consumer's opt-out request.
  - (C) For the development and use of a recognizable and uniform opt-out logo or button by all businesses to promote consumer awareness of the opportunity to opt out of the sale of personal information.
  - (5) Adjusting the monetary threshold in subparagraph
    (A) of paragraph (1) of subsection (c) of Section 5 in
    January of every odd-numbered year to reflect any increase
    in the Consumer Price Index.
  - (6) Establishing rules, procedures, and any exceptions necessary to ensure that the notices and information that businesses are required to provide in accordance with this Act are provided in a manner that may be easily understood by the average consumer, are accessible to consumers with disabilities, and are available in the language primarily used to interact with the consumer, including establishing rules and guidelines regarding financial incentive offerings, within one year after the effective date of this Act and as needed thereafter.
  - (7) Establishing rules and procedures to further the purposes of Sections 20 and 25 and to facilitate a consumer's or the consumer's authorized agent's ability to obtain information in accordance with Section 40, with the

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goal of minimizing the administrative burden on consumers, taking into account available technology, security concerns, and the burden on the business, to govern a business's determination that a request for information received by a consumer is a verifiable consumer request, including treating a request submitted password-protected account maintained by the consumer with the business while the consumer is logged into the account as a verifiable consumer request and providing a mechanism for a consumer who does not maintain an account with the business to request information through the business's authentication of the consumer's identity, within one year after the effective date of this Act and as needed thereafter.

- (b) The Attorney General may adopt additional rules as necessary to further the purposes of this Act.
- (c) The Attorney General shall not bring an enforcement action under this Act until 6 months after the publication of the final rules adopted in accordance with this Section or July 1, 2021, whichever is sooner.

Section 80. Component parts of a single transaction. If a series of steps or transactions were component parts of a single transaction intended from the beginning to be taken with the intention of avoiding the reach of this Act, including the disclosure of information by a business to a third party in

- order to avoid the definition of sell, a court shall disregard
- 2 the intermediate steps or transactions for purposes of
- 3 effectuating the purposes of this Act.
- 4 Section 85. Nonwaiver of Act. Any provision of a contract 5 or agreement of any kind that purports to waive or limit in any 6 way a consumer's rights under this Act, including, but not 7 limited to, any right to a remedy or means of enforcement, shall be deemed contrary to public policy and shall be void and 8 9 unenforceable. This Section shall not prevent a consumer from 10 declining to request information from a business, declining to 11 opt out of a business's sale of the consumer's personal 12 information, or authorizing a business to sell the consumer's 13 personal information after previously opting out.
- Section 90. Construction. This Act shall be liberally construed to effectuate its purposes.
- Section 95. Application. This Act is intended to supplement federal and State law, if permissible, but does not apply if such application is preempted by, or in conflict with, federal law or the United States or Illinois Constitution.
- Section 900. The State Finance Act is amended by adding Section 5.930 as follows:

- 1 (30 ILCS 105/5.930 new)
- 2 <u>Sec. 5.930. The Consumer Privacy Fund.</u>
- 3 Section 999. Effective date. This Act takes effect January
- 4 1, 2021.

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4 30 ILCS 105/5.930 new