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Testimony- HB 1330

February 9, 2021- House IBL

Chairman Lefor & Members of the House IBL Committee:

For the record, I'm Mike Rud, President of the North Dakota Retail Association. On behalf of NDRA, I'm submitting written testimony asking for a **"DO NOT PASS" recommendation on HB 1330.**

First and foremost, the issue of data privacy continues to garner a lot of national attention. NDRA still stands by its initial position of a well-defined and easy to implement federal law being the most effective route to ensure sound data privacy laws. A patchwork of different state laws will make it very confusing for our members operating in multiple states.

All retail businesses have no higher priority than earning and maintaining trusted relationships with their customers. Our success depends on providing the highest quality goods and services at competitive prices. Customers expect us to protect the information they share with us and use it in a responsible manner to connect them with our products and services.

Government regulation must not restrict the benefits and services customers enjoy in their relationships with Main Street businesses. Those benefits and services are how consumers stretch their dollars and realize tangible benefits. Our coalition believes that state data privacy legislation must:

- Avoid Private Rights of Action and Liability-Shifting – We oppose efforts to delegate principal enforcement of state privacy laws to trial attorneys through private rights of action. We support a safe harbor for first-party businesses to protect them from being held vicariously liable for the privacy violations of other parties.

- **Preserve Customer Service, Convenience and Benefits** – We support legislation that preserves the ability of consumers and businesses to voluntarily establish mutually beneficial relationships, including rewards and loyalty programs. We support exceptions to the regulation of data sales to preserve common first-party data sharing arrangements that benefit the consumer and do not involve personal information being sold to a third-party for their own use.
- **Narrowly Define Personal Information and Related Terms** – We oppose legislation that unnecessarily expands what data would be considered “personal information” and legislation that fails to exempt de-identified or aggregated data from this definition. We support excluding any data that would constitute employee data or business-to-business data, where the latter includes data sharing that facilitates transactions between businesses.
- **Provide Uniformity and Industry-Sector Neutrality** – We support requiring all businesses that handle consumer information to have direct legal obligations under privacy laws and honor consumer privacy rights requests.

Again, NDRA urges a **“DO NOT PASS”** recommendation on HB 1330 .