



May 8, 2025

The Honorable Ned Lamont  
Governor  
State of Connecticut  
Office of the Governor  
State Capitol Building  
210 Capitol Avenue  
Hartford, Connecticut 06106

**Re: Senate Bill 1356**

Dear Governor Lamont:

The U.S. Chamber of Commerce (“Chamber”) believes that the Connecticut Data Privacy Act (“CTDPA”) strikes the right balance in providing data privacy protections for consumers while allowing for continued innovation. However, SB 1356 would amend CTDPA in ways that make it harder for consumers to obtain needed goods and services, restrict the ability of small businesses to compete, and impede innovation. SB 1356 would make Connecticut an outlier related to data privacy laws, harming its ability to attract businesses seeking to locate or relocate to the state. Accordingly, the Chamber requests that you veto SB 1356 should it arrive before you. Our concerns are listed in greater detail below.

### **I. Data Minimization**

The vast majority of states that have enacted comprehensive privacy legislation, including Connecticut, limit companies’ collection of data to “what is adequate, relevant, and reasonably necessary to in relation to the purposes for which such data is processed, as *disclosed* to the consumer.”<sup>1</sup> This approach appropriately limits data collection while fairly putting consumers on notice about their data practices to exercise their right to correct and delete personal data as well as opt out of data sales.

However, SB 1356 would drastically change Connecticut’s data minimization standard and effectively prohibit the collection of data beyond providing or maintaining a product or service specifically requested by a consumer. This would significantly inhibit innovation as covered entities may cease to pursue consumer-friendly business uses for data throughout different times of product and service development.<sup>2</sup> Such a strict standard threatens societally beneficial uses of data such as public safety, health, and financial inclusion. Furthermore, businesses and consumers would be less likely to

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<sup>1</sup> Conn. Gen. State § 42-520(a).

<sup>2</sup> U.S. Chamber of Commerce, “Data for Good: Promoting Safety, Health, and Inclusion,” (January 2020) available at <https://www.uschamber.com/technology/data-force-good>.

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use emerging artificial intelligence (“AI”) technologies. Additionally, small businesses who rely on personalization to reach new audiences will be placed at a disadvantage against their more well-resourced competitors.<sup>3</sup> In fact, three quarters of Connecticut small businesses are worried restricted access to data will harm their ability to grow.<sup>4</sup>

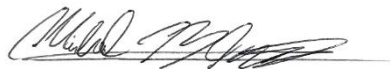
Stricter data minimization laws would deprive companies of the data necessary to comply with other state laws including AI and anti-discrimination requirements.

## II. Small Business Thresholds

States that have data privacy laws have reduced burdens on small businesses by establishing reasonable data subject number or revenue percentage thresholds a company must exceed to be considered a covered entity. Accordingly, the CTDPA currently provides exemptions to businesses that process the personal data of 100,000 consumers or less or process the personal data of 25,000 consumers or less and derive 25% or less of their yearly revenue from the sale of personal data. However, SB 1356 would drastically reduce these applicability thresholds to the personal data of 35,000 consumers or less or annually process the personal data of 10,000 consumers or less and derive 20% or less of their revenue from the sale of personal data. **For example, SB 1356 would subject food trucks and coffee shops that conduct only 96 unique transactions a day to complex data minimization standards.**

For the reasons stated above, we request that you veto SB 1356 should it come before you and maintain Connecticut’s leadership on privacy and consumer protections. We look forward to working with you and the legislature on this critical issue.

Sincerely,



Michael Blanco  
Director, State and Local Policy  
Chamber Technology Engagement Center  
U.S. Chamber of Commerce

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<sup>3</sup> U.S. Chamber of Commerce, *Empowering Small Business: The Impact of Technology on US Small Business* (September 2024) available at <https://www.uschamber.com/assets/documents/Impact-of-Technology-on-Small-Business-Report-2024.pdf>.

<sup>4</sup> *Id.*

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cc: Senate President Martin Looney  
Senate Majority Leader Bob Duff  
Senate Minority Leader Stephen Harding  
House Speaker Matt Ritter  
House Majority Leader Jason Rojas  
House Minority Leader Vincent Candelora