

January 19, 2024

Minnesota Legislative Commission on Data Practices  
75 Rev Dr. Martin Luther King Jr Boulevard  
St. Paul, MN 55155



RE: House File 2309 (Elkins)

Dear Chair Westlin and Members of the Legislative Commission on Data Privacy,

Thank you for the opportunity to comment on HF 2309/SF 2915, the Minnesota Consumer Data Privacy Act. The Minnesota Bankers Association is a trade association established in 1889 that represents approximately 95% of the banks in Minnesota, from the largest to the very smallest. We appreciate your willingness to engage with us on this bill. We have been talking with Rep. Elkins about this legislation for many years now and our ask has remained the same – we request a full exemption for financial institutions complying with the Gramm Leach Bliley Act.

Our understanding is that fourteen states have passed consumer data privacy laws and the last thirteen have included an exemption for financial institutions, with the vast majority giving a full entity-level exemption for entities subject to the Gramm Leach Bliley Act. These states have given banks the exemption because Congress has already established a comprehensive and lengthy privacy framework for banks. There is a robust financial privacy framework that has been in place for over 20 years - - from the Gramm-Leach Bliley Act to its implementing Reg P and the interagency guidelines on safeguarding customer information, as well as other financial privacy laws like the Right to Financial Privacy Act.

This legal framework combined with supervisory oversight is the reason for the exemption. **Every bank is examined regularly by a federal banking agency for their compliance with these laws.** In fact, very large banks often have federal banking examiners permanently stationed on site. There is no other industry that has this type of intense regulatory scrutiny. The banks in Minnesota would very much appreciate the full exemption given in the other states, so that they can continue to protect customer information under federal law without confusion and the uncertainty of a patchwork of state laws.

While we have not seen the current language, we have also been discussing a provision considered by Rep. Elkins that would be unique to Minnesota regarding account closing. We are concerned about the inclusion of restrictions on closing customer accounts in reaction to articles in the *New York Times*. This issue needs further discussion. Minnesota Statute 47.77 currently requires banks to give 30-days' notice before closing an account and allows notice at the time of closing if there is a reasonable suspicion of fraud. We believe this to be sufficient consumer protection. We are not aware of any issues with account closing in Minnesota and don't believe that a data privacy bill is the appropriate vehicle for account closing language.

Thank you for the opportunity to share our thoughts on the bill. We look forward to continued conversations with authors and other stakeholders.

Sincerely,  
Tess Rice  
General Counsel



8050 Washington Avenue South · Suite 150 · Eden Prairie, MN 55344-3821  
**Phone:** 952.835.3900 · **MN Toll Free:** 866.835.3900 · **Fax:** 952.896.1100 · [www.minnbankers.com](http://www.minnbankers.com)