

THE DATA DISTRIBUTION FAIRNESS ACT (DDFA) Minnesota Legislative Draft – Expanded Version

Section 1. SHORT TITLE. This Act may be cited as the “Data Distribution Fairness Act.”

Section 2. PURPOSE AND FINDINGS. (a) The legislature finds that personal data has measurable economic value and that Minnesotans have no statutory right to transparency, consent, or economic participation regarding its use. (b) The purpose of this Act is to establish enforceable digital rights, mandate transparent data governance, prohibit exploitative data practices, and ensure individuals share in the economic value their data generates.

Section 3. DEFINITIONS. (a) “Personal data” means any information relating to an identified or identifiable individual, including derived, inferred, or behavioral data. (b) “Sensitive data” means data relating to race, health, biometrics, precise location, minors, or financial identity. (c) “Data broker” means any entity whose primary business is collecting, aggregating, selling, licensing, or otherwise distributing personal data. (d) “Profiling” means automated processing to evaluate personal preferences, behaviors, creditworthiness, or eligibility for opportunities. (e) “Monetization” means any revenue-generating use of personal data.

Section 4. INDIVIDUAL RIGHTS. Individuals have the right to: (1) Transparency regarding what personal data is collected, used, and why. (2) Access to their own personal data. (3) Correction or deletion of inaccurate or outdated personal data. (4) Opt-in consent for any monetization or secondary use. (5) Revocation of consent at any time. (6) Fair economic participation when personal data is monetized.

Section 5. LIMITATIONS ON DATA COLLECTION AND USE. (a) Data collection must be limited to what is reasonably necessary for the disclosed purpose. (b) Data may not be retained longer than necessary. (c) Dark-pattern consent mechanisms are prohibited. (d) Personal data collected for one purpose may not be used for incompatible secondary purposes without explicit opt-in consent.

Section 6. DATA MONETIZATION AND COMPENSATION. (a) No entity may monetize personal data without documented opt-in consent. (b) Individuals whose data contributes to revenue-generating products or services are entitled to proportional economic compensation. (c) Compensation models must be disclosed in clear, plain language. (d) Data brokers must maintain transparent accounting of monetized datasets.

Section 7. PROFILING AND ALGORITHMIC ACCOUNTABILITY. (a) Automated decisions that significantly affect individuals must include a right to explanation and human review. (b) Harmful or discriminatory profiling is prohibited. (c) Entities deploying automated systems must document risk assessments and fairness safeguards.

Section 8. DATA BROKER REGISTRATION. (a) All data brokers operating in Minnesota must register annually with the state. (b) Registration must disclose data sources, uses, and monetization practices. (c) Failure to register constitutes a violation enforceable by civil penalty.

Section 9. SECURITY AND BREACH NOTIFICATION. (a) Entities must implement reasonable security measures proportional to the sensitivity of the data. (b) Data breaches must be disclosed to affected individuals within 72 hours. (c) Entities failing to maintain adequate safeguards are liable for damages and penalties.

Section 10. ENFORCEMENT AND PENALTIES. (a) The Attorney General is empowered to enforce this Act. (b) Civil penalties may include fines up to \$7,500 per violation. (c) Individuals retain a private right of action for damages and injunctive relief. (d) Repeated violations may result in suspension of data processing activities.

Section 11. RULEMAKING AUTHORITY. The Department of Commerce shall adopt rules, guidance, and reporting standards to implement this Act, including compensation formulas and transparency reporting.

Section 12. EFFECTIVE DATE. This Act shall take effect on January 1, 2026.