

# HB0055S01 compared with HB0055

~~{Omitted text}~~ shows text that was in HB0055 but was omitted in HB0055S01

inserted text shows text that was not in HB0055 but was inserted into HB0055S01

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1            **~~{Privacy Compliance for}~~ Education Technology ~~{Vendors}~~ Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tiara Auxier**

Senate Sponsor: John D. Johnson



2

3 **LONG TITLE**

4 **General Description:**

5        This bill requires the termination of a contract with a third-party provider in certain  
6 circumstances involving a failure to comply with state or federal privacy laws.

7 **Highlighted Provisions:**

8        This bill:

- 9        ▶ defines terms;  
12       ▶ requires an education entity or a government agency contracting on behalf of an education entity  
to:

- 14            • include certain provisions in a contract with a third-party contractor;  
15            • notify a third-party contractor of the contractor's unauthorized ~~{sale}~~ use of student data or  
information in violation of state or federal privacy laws; and  
17            • terminate a contract with a third-party contractor that does not remedy the privacy violation  
after notification;

- 19        ▶ ~~repeals a provision allowing a third-party contractor to respond to a student's request for  
information or feedback;{[ and]}~~

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- 20a       ▶ requires the State Board of Education to conduct investigations of certain alleged violations and audits of certain agreements; {and}
- 21       ▶ creates a grant program for rural school districts to install and operate internet connectivity systems on school buses;
- 23       ▶ establishes priority criteria for awarding grants;
- 24       ▶ allows districts to combine grant money with district funds;
- 25       ▶ requires grant recipients to commit to long-term operation of internet connectivity systems;
- 27       ▶ requires the State Board of Education to make rules for grant administration; and
- 21       ▶ makes technical changes.

## Money Appropriated in this Bill:

- 30       ▶ **This bill appropriates \$325,000 in operating and capital budgets for fiscal year 2027, all of**
- 31       **which is from the various sources as detailed in this bill.**

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## Other Special Clauses:

33       This bill provides a special effective date.

## Utah Code Sections Affected:

35       AMENDS:

36       **53E-9-309** , as last amended by Laws of Utah 2020, Chapter 388

37       ENACTS:

38       **53F-2-402.5 , Utah Code Annotated 1953**

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40       *Be it enacted by the Legislature of the state of Utah:*

41       Section 1. Section **53E-9-309** is amended to read:

42       **53E-9-309. Third-party contractors.**

33       (1) A third-party contractor shall use personally identifiable student data received under a contract with an education entity strictly for the purpose of providing the contracted product or service within the negotiated contract terms.

36       (2)

(a) When contracting with a third-party contractor, an education entity, or a government agency contracting on behalf of an education entity, shall[-] :

38       (i) require the following provisions in the contract:

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- 39 [(a)] (A) requirements and restrictions related to the collection, use, storage, or sharing of student data  
by the third-party contractor that are necessary for the education entity to ensure compliance with  
the provisions of this part and state board rule;
- 43 [(b)] (B) a description of a person, or type of person, including an affiliate of the third-party contractor,  
with whom the third-party contractor may share student data;
- 46 [(c)] (C) provisions that, at the request of the education entity, govern the deletion of the student data  
received by the third-party contractor;
- 48 [(d)] (D) except as provided in Subsection (4) and if required by the education entity, provisions that  
prohibit the secondary use of personally identifiable student data by the third-party contractor; ~~[-{f}]~~  
and]
- 51 [(e)] (E) an agreement by the third-party contractor that, at the request of the education entity that is a  
party to the contract, the education entity or the education entity's designee may audit the third-party  
contractor to verify compliance with the contract[-] ; and
- 55 (F) provisions describing the education entity's or government agency's statutory duty to terminate the  
contract in the case of a privacy violation in accordance with Subsection (2)(a)(iii) and prohibiting  
any fee or financial liability for the termination;
- 59 (ii) within 30 days after the day on which the education entity or government agency discovers a  
third-party contractor's unauthorized { H→ } {f} use of student data or information in violation  
of state or federal privacy laws, including this chapter, the Family Education Rights and Privacy  
Act and related provisions under 20 U.S.C. Secs. 1232g and 1232h, the Children's Online  
Privacy Protection Act, 15 U.S.C. Sec. 6501 et seq., and any associated regulations, provide  
notice to the third-party contractor of: }
- 76 (A) the violation of the relevant state or federal privacy law; and
- 77 (B) the education entity's or government agency's duty to terminate the contract under Subsection (2)(a)  
(iii); and
- 79 (iii) no sooner than 30 days after the day on which the education entity or government agency  
provides the notice described in Subsection (2)(a)(ii), terminate the contract with the third-party  
contractor if the contractor does not:
- 82 (A) remedy the privacy violation to the greatest extent practicable, in the determination of the education  
entity or government agency; and
- 84 (B) establish processes and procedures to prevent the failure of compliance from re-occurring.

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- 86 (b) A third-party contractor may not impose a fee, seek damages, or otherwise assert any financial liability against an education entity or government agency that terminates a contract as a consequence of the contractor's unauthorized use of student data or information in violation of a relevant state or federal privacy law under Subsection (2)(a)(iii).
- 91 (c)
- (i) A person may submit a report of a suspected violation directly to the state board student data privacy team, through a reporting process that state board policy establishes.
- 94 (ii) Upon receipt of a report described in Subsection (2)(c)(i), the state board student data privacy team shall, in accordance with state board policies and procedures:
- 96 (A) conduct an initial review to determine whether the report is credible, relevant, and sufficiently specific to warrant action; and
- 98 (B) if the report meets the standard described in Subsection (2)(c)(ii)(A), initiate a compliance audit or investigation of the relevant third-party contractor.
- 100 (d) To combat data protection misunderstandings or misconceptions, state board staff shall create materials or resources to be made available to third-party contractors.
- 102 (3) ~~{sale}~~ As authorized by law or court order, a third-party contractor shall share student data as requested by law enforcement. ~~{ usage }~~
- 104 (4) ~~{ ←ñ }~~ of student data or information in violation of state or federal privacy laws, including this chapter, the Family Education Rights and Privacy Act and related provisions under 20 U.S.C. Secs. 1232g and 1232h, the Children's Online Privacy Protection Act, 15 U.S.C. Sec. 6501 et seq., and any associated regulations, provide notice to the third-party contractor of:
- 66 ~~{(A)} {the violation of the relevant state or federal privacy law; and}~~
- 67 ~~{(B)} {the education entity's or government agency's duty to terminate the contract under Subsection (2)(a)(iii); and}~~
- 69 ~~(iii) {no sooner than 30 days after the day on which the education entity or government agency provides the notice described in Subsection (2)(a)(ii), terminate the contract with the third-party contractor if the contractor does not:}~~
- 72 ~~{(A)} {remedy the privacy violation to the greatest extent practicable, in the determination of the education entity or government agency; and}~~
- 74 ~~{(B)} {establish processes and procedures to prevent the failure of compliance from re-occurring.}~~
- 76

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- {(b)} A third-party contractor may not impose a fee, seek damages, or otherwise assert any financial liability against an education entity or government agency that terminates a contract as a consequence of the contractor's unauthorized {  $\hat{H}$ → } { } {f} ~~{sale}~~ A third-party contractor may: { } usage }
- 105 (a) { ← $\hat{H}$  } of student data or information in violation of a relevant state or federal privacy law under Subsection (2)(a)(iii).
- 80a  $\hat{H}$ → { (e) }
- {(f)} A person may submit a report of a suspected violation directly to the state board student data privacy team, through a reporting process that state board policy establishes.}
- 80d {(ii)} Upon receipt of a report described in Subsection (2)(c)(i), the state board student data privacy team shall, in accordance with state board policies and procedures:
- 80g {(A)} {conduct an initial review to determine whether the report is credible, relevant, and sufficiently specific to warrant action; and}
- 80i {(B)} if the report meets the standard described in Subsection ((2)(c)(ii)(A), initiate a compliance audit or investigation of the relevant {  $\hat{H}$ → } { } {f} ~~{vendor or}~~ use student data for adaptive learning or customized student learning purposes; } } third-party
- 106 (b) { ← $\hat{H}$  } contractor. { ← $\hat{H}$  }
- 80k {  $\hat{H}$ → } { (d) } { } { } { } {The state board, through } market an educational application or product to a parent of a student if the {state board's } third-party contractor did not use student data {privacy team}, shared by or collected on behalf of an education entity, ~~{in }~~ to market the educational application or product; }
- 109 (c) { { ← $\hat{H}$  } {  $\hat{H}$ → } } { } {f} {conjunction with the relevant LEA, and in accordance with state board policies and } use a recommendation engine to recommend to a student: }
- 110 (i) { { ← $\hat{H}$  } {  $\hat{H}$ → } } { } {f} {procedures} content that relates to learning or employment, ~~{shall conduct a compliance audit }~~ within {six months of: } the third-party contractor's application, if the recommendation is not motivated by payment or other consideration from another party; or }
- 113 (ii) { { ← $\hat{H}$  } }
- 80n { (i) } {  $\hat{H}$ → } { } { } {the execution of any new or renewed contract between an LEA and a } services that relate to learning or employment, within the third-party contractor's application, if the recommendation is not motivated by payment or other consideration from another party; }
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- 80p ~~[(d)]~~ ~~[[~~←~~ ~~↔~~ ]]~~ ~~[[~~↔~~ ]]~~ ~~[[~~third-party contractor that is subject~~ ]]~~ respond to ~~(this section; or)~~ a student request for information or feedback, if the content of the response is not motivated by payment or other consideration from another party; ~~[[~~←~~ ~~↔~~ ]]~~
- 118 ~~[(e)]~~ ~~(d)~~ ~~[the creation]~~ use student data to allow or improve operability and functionality of the third-party contractor's application; or ~~[revision of a data privacy agreement.]~~
- 120 ~~[(f)]~~ ~~(e)~~ ~~[[~~←~~ ~~↔~~ ]]~~
- 80pi ~~[(d)]~~ ~~[To combat data protection misunderstandings or misconceptions, state board staff shall create materials or resources to be made available to third-party contractors.]~~ ~~[[~~←~~ ~~↔~~ ]]~~
- 81 ~~[(3)]~~ ~~As authorized by law or court order,~~ identify for a ~~[third-party contractor shall share]~~ student ~~[data as requested by law enforcement.]~~ nonprofit institutions of higher education or scholarship providers that are seeking students who meet specific criteria
- 83 ~~[(4)]~~ if the criteria does not include a personal identity characteristic as that term is defined in Section 53B-1-118 ~~[A third-party contractor may ]~~ :
- 84 ~~[(a)]~~ ~~(i)~~ ~~[use student data for adaptive learning]~~ regardless of whether the identified nonprofit institutions of higher education or ~~[customized student learning purposes;]~~ scholarship providers provide payment or other consideration to the third-party contractor; and
- 85 ~~[(b)]~~ ~~(ii)~~ ~~[market an educational application or product to a parent of a student]~~ only if the third-party contractor ~~[did not use student data, shared by or collected on behalf of an education entity, to market the educational application or product;]~~ obtains authorization in writing from:
- 88 ~~[(e)]~~ ~~(A)~~ ~~[use]~~ a ~~[recommendation engine to recommend to a student:]~~ student's parent through the student's school or LEA; or
- 89 ~~[(i)]~~ ~~(B)~~ ~~[content that relates to learning or employment]~~ for an adult student, ~~[within the third-party contractor's application, if the recommendation is not motivated by payment or other consideration from another party; or]~~ the student.
- 92 ~~[(ii)]~~ ~~(5)~~ ~~[services that relate to learning or employment, within the third-party contractor's application]~~ At the completion of a contract with an education entity, if the ~~[recommendation is]~~ contract has not ~~[motivated by payment or other consideration from another party;]~~ been renewed, a third-party contractor shall return or delete
- 95 ~~[(d)]~~ ~~[respond to a student request for information or feedback, if]~~ upon the ~~[content of the response is not motivated by payment or other consideration from another party;]~~ education entity's request ]

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- 97 ~~{(e)}{(d)}~~ use all personally identifiable student data ~~{to allow or improve operability and~~  
functionality} under the control of the ~~{third-party contractor's application; or}~~ education entity  
unless
- 99 ~~{(f)}{(e)}~~ [{identify for} a student ~~{nonprofit institutions of higher education or scholarship providers~~  
that are seeking students who meet specific criteria} or ~~{if the criteria does not include a personal~~  
identity characteristic as that term is defined in Section 53B-1-118:} the student's parent
- 102 ~~{(i)}~~ [{regardless of whether the identified nonprofit institutions of higher education or scholarship  
providers provide payment or other consideration to the third-party contractor; and} consents
- 105 ~~{(ii)}~~ ] gives written consent~~{only if}~~ to the ~~{third-party contractor obtains authorization in writing~~  
from:
- 106 ~~{(A)}~~ third-party contractor's ~~{a student's parent through}~~ maintenance of the ~~{student's school or~~  
LEA; or} personally identifiable student data.
- 107 ~~{(B)}~~ (6)
- (a) {for an adult student, the student.} A third-party contractor may not:
- 108 ~~{(5)}~~ (i) {At the completion of a contract with an education entity} except as provided in Subsection  
(6)(b), {if the contract has not been renewed, a third-party contractor shall return or delete} sell  
student data;
- 136 (ii) ~~{H→}~~ {f} {upon} collect, use, or share student data, if the collection, use, or sharing  
of the student data is inconsistent with the third-party contractor's contract with the  
education {entity's} entity; or
- 139 (iii) ~~{request}~~ use student data for targeted advertising.~~{}~~
- 140 (b) {{ ←H } all personally identifiable} A person may obtain student data ~~{under}~~ through the ~~{control~~  
} purchase of ~~{the education entity unless}~~ , merger with, or otherwise acquiring a third-party  
contractor if the third-party contractor remains in compliance with this section.
- 143 (7) { H→ } {f} {a student or} The provisions of this section do not:}
- 144 (a) {{ ←H } the student's parent} apply to the use of a general audience application, including the  
access of a general audience application with login credentials created by a third-party contractor's  
application;
- 147 (b) { H→ } {f} {consents} apply if the student data is shared in accordance with the education  
entity's directory information policy, as described in 34 C.F.R. 99.37;{} gives written  
consent}

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- 149 (c) { ←~~Ĥ~~ } apply to the providing of Internet service; or
- 150 (d) { ~~Ĥ~~→ } { ~~third-party contractor's~~ } { } { ←~~Ĥ~~ } maintenace } impose a duty on a provider of { ~~the personally identifiable student data~~ } an interactive computer service, as defined in 47 U.S.C. Sec. 230, to review or enforce compliance with this section.
- 113 {~~(6)~~} (8)
- {(a)} A { ~~provision of this section that relates to a student's student data does not apply to a~~ } third-party contractor { ~~if the education entity or third-party contractor obtains authorization from the following individual, in writing, to waive that provision~~ } may not:
- 114 { (i) } (a) { ~~except as provided in Subsection (6)(b)~~ } the student's parent, { ~~sell~~ } if the student is not an adult student { ~~data~~ } ;or
- 115 { (ii) } (b) { ~~collect, use, or share~~ } the student { ~~data~~ } , if the { ~~collection, use, or sharing of the student data~~ } student is { ~~inconsistent with the third-party contractor's contract with the education entity; or~~ } an adult student.
- 118 (iii) { ~~use student data for targeted advertising.~~ }
- 119 { (b) } { ~~A person may obtain student data through the purchase of, merger with, or otherwise acquiring a third-party contractor if the third-party contractor remains in compliance with this section.~~ }
- 122 { (7) } { ~~The provisions of this section do not:~~ }
- 123 { (a) } { ~~apply to the use of a general audience application, including the access of a general audience application with login credentials created by a third-party contractor's application;~~ }
- 126 { (b) } { ~~apply if the student data is shared in accordance with the education entity's directory information policy, as described in 34 C.F.R. 99.37;~~ }
- 128 { (e) } { ~~apply to the providing of Internet service; or~~ }
- 129 { (d) } { ~~impose a duty on a provider of an interactive computer service, as defined in 47 U.S.C. Sec. 230, to review or enforce compliance with this section.~~ }
- 131 { (8) } { ~~A provision of this section that relates to a student's student data does not apply to a third-party contractor if the education entity or third-party contractor obtains authorization from the following individual, in writing, to waive that provision:~~ }
- 134 { (a) } { ~~the student's parent, if the student is not an adult student; or~~ }
- 135 { (b) } { ~~the student, if the student is an adult student.~~ }
- 157 Section 2. Section 2 is enacted to read:
- 158 **53F-2-402.5. Rural school district transportation grants.**

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- 159 (1) As used in this section:
- 160 (a) "Eligible school" means a public school within a school district:
- 161 (i) located in a county of the fourth, fifth, or sixth class, as defined in Section 17-50-501; or
- 163 (ii) with fewer than 3,000 students enrolled in the school district.
- 164 (b) "Extended trip" means a school bus trip to a school-sponsored event, including an athletic  
competition, academic competition, or club activity, that requires a student in grades 7 through 12 to  
travel more than 60 minutes one-way.
- 167 (c) "Rural school district" means a school district that operates one or more eligible schools.
- 169 (2) Subject to legislative appropriations, the state board shall distribute grant money to rural school  
districts to install and operate internet connectivity systems on school buses used for extended trips.
- 172 (3) A rural school district may apply to the state board for a grant under this section.
- 173 (4) The state board may award a grant to a rural school district that:
- 174 (a) operates one or more school bus routes that qualify as extended trips under Subsection (1)(b);
- 176 (b) submits an application in accordance with state board rule; and
- 177 (c) agrees to the requirements in Subsection (7).
- 178 (5) In awarding grants under this section, the state board shall give preference to rural school districts  
that do not currently have internet connectivity systems on school buses used for extended trips.
- 181 (6) Notwithstanding Subsection (5):
- 182 (a) subject to legislative appropriations, the state board shall ensure each eligible rural school district  
receives funding for at least two school buses; and
- 184 (b) the state board may not award a grant to a district in an amount that exceeds the total cost to:
- 186 (i) retrofit two school buses with internet connectivity systems; and
- 187 (ii) pay for internet connectivity services for two school buses for one year.
- 188 (7) A rural school district that receives a grant under this section shall:
- 189 (a) use grant money to:
- 190 (i) retrofit school buses with internet connectivity systems; and
- 191 (ii) provide internet access through a terrestrial wireless provider or a satellite internet service provider;
- 193 (b) assume responsibility for the cost of internet connectivity services after the grant money for services  
described in Subsection (7)(a)(ii) is expended;
- 195 (c) maintain internet connectivity systems and services on the retrofitted school buses for at least three  
years after receiving the grant;

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- 197 (d) where applicable, coordinate with the Utah Education and Telehealth Network in the  
198 implementation and operation of internet connectivity systems;
- 199 (e) ensure that internet connectivity provided on school buses under this section complies with the  
200 same content filtering and internet safety policies that apply to internet access in the district's school  
201 buildings; and
- 202 (f) comply with reporting requirements established by the state board in rule under Subsection (10).
- 204 (8) A rural school district may:
- 205 (a) use grant money awarded under this section in combination with the district's own funds to:
- 207 (i) retrofit more than two school buses with internet connectivity systems; or
- 208 (ii) pay for more than one year of internet connectivity services for school buses; and
- 209 (b) if the cost of internet connectivity systems and services is less than the grant award amount, use  
210 remaining grant funds to:
- 211 (i) retrofit additional school buses with internet connectivity systems;
- 212 (ii) pay for additional years of internet connectivity services; or
- 213 (iii) retrofit school buses other than those used for extended trips, after at least two school buses used  
214 for extended trips have been retrofitted.
- 215 (9) If a grant recipient fails to maintain internet connectivity systems and services for the three-year  
216 period required under Subsection (7)(c), the state board may require the district to repay all or a  
217 portion of the grant money.
- 218 (10) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative  
219 Rulemaking Act, to implement this section, including rules that establish:
- 220 (a) the grant application process and timeline;
- 221 (b) required elements of a grant application;
- 222 (c) a methodology for determining:
- 223 (i) the total cost to retrofit two school buses with internet connectivity systems; and
- 224 (ii) the annual cost for internet connectivity services for two school buses for one year for purposes of  
225 the cap described in Subsection (6)(b); and
- 226 (d) reporting requirements for grant recipients.

### Section . **FY 2027 Appropriations.**

228 The following sums of money are appropriated for the fiscal year beginning July 1,  
229 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for

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230 fiscal year 2027.

231 Subsection 3(a). **Operating and Capital Budgets**

232 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
233 Legislature appropriates the following sums of money from the funds or accounts indicated for  
234 the use and support of the government of the state of Utah.

235 To State Board of Education - Contracted Initiatives and Grants

236 325,000

237 Schedule of Programs:

238 325,000

239 Section 4. **Effective date.**

Effective Date.

This bill takes effect on July 1, 2026.

2-11-26 4:06 PM