1   **Privacy Compliance for Education Technology Vendors**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tiara Auxier

Senate Sponsor:

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3   **LONG TITLE**

4   **Committee Note:**

5   The Education Interim Committee recommended this bill.

6   Legislative Vote: 13 voting for   2 voting against   4 absent

7   **General Description:**

8   This bill requires the termination of a contract with a third-party provider in certain

9   circumstances involving a failure to comply with state or federal privacy laws.

10   **Highlighted Provisions:**

11   This bill:

12   ‣ requires an education entity or a government agency contracting on behalf of an education

13   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 of student data or

16   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

18   violation after notification;

19   ‣ repeals a provision allowing a third-party contractor to respond to a student's request for

20   information or feedback; and

21   ‣ makes technical changes.

22   **Money Appropriated in this Bill:**

23   None

24   **Other Special Clauses:**

25   This bill provides a special effective date.

26   **Utah Code Sections Affected:**

27   AMENDS:

28   **53E-9-309**, as last amended by Laws of Utah 2020, Chapter 388

29

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

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

32   **53E-9-309 . Third-party contractors.**

33   (1) A third-party contractor shall use personally identifiable student data received under a

34   contract with an education entity strictly for the purpose of providing the contracted

35   product or service within the negotiated contract terms.

36   (2)(a) When contracting with a third-party contractor, an education entity, or a

37   government agency contracting on behalf of an education entity, shall[-] :

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

39   [(a)] (A) requirements and restrictions related to the collection, use, storage, or

40   sharing of student data by the third-party contractor that are necessary for the

41   education entity to ensure compliance with the provisions of this part and state

42   board rule;

43   [(b)] (B) a description of a person, or type of person, including an affiliate of the

44   third-party contractor, with whom the third-party contractor may share student

45   data;

46   [(c)] (C) provisions that, at the request of the education entity, govern the deletion

47   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

49   entity, provisions that prohibit the secondary use of personally identifiable

50   student data by the third-party contractor; [and]

51   [(e)] (E) an agreement by the third-party contractor that, at the request of the

52   education entity that is a party to the contract, the education entity or the

53   education entity's designee may audit the third-party contractor to verify

54   compliance with the contract[.] ; and

55   (F) provisions describing the education entity's or government agency's statutory

56   duty to terminate the contract in the case of a privacy violation in accordance

57   with Subsection (2)(a)(iii) and prohibiting any fee or financial liability for the

58   termination;

59   (ii) within 30 days after the day on which the education entity or government agency

60   discovers a third-party contractor's unauthorized sale of student data or

61   information in violation of state or federal privacy laws, including this chapter, the

62   Family Education Rights and Privacy Act and related provisions under 20 U.S.C.

63   Secs. 1232g and 1232h, the Children's Online Privacy Protection Act, 15 U.S.C.

64   Sec. 6501 et seq., and any associated regulations, provide notice to the third-party

65   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

68   under Subsection (2)(a)(iii); and

69   (iii) no sooner than 30 days after the day on which the education entity or

70   government agency provides the notice described in Subsection (2)(a)(ii),

71   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

73   determination of the education entity or government agency; and

74   (B) establish processes and procedures to prevent the failure of compliance from

75   re-occurring.

76   (b) A third-party contractor may not impose a fee, seek damages, or otherwise assert any

77   financial liability against an education entity or government agency that terminates a

78   contract as a consequence of the contractor's unauthorized sale of student data or

79   information in violation of a relevant state or federal privacy law under Subsection

80   (2)(a)(iii).

81 (3) As authorized by law or court order, a third-party contractor shall share student data as

82   requested by law enforcement.

83 (4) A third-party contractor may:

84   (a) use student data for adaptive learning or customized student learning purposes;

85   (b) market an educational application or product to a parent of a student if the third-party

86   contractor did not use student data, shared by or collected on behalf of an education

87   entity, to market the educational application or product;

88   (c) use a recommendation engine to recommend to a student:

89   (i) content that relates to learning or employment, within the third-party contractor's

90   application, if the recommendation is not motivated by payment or other

91   consideration from another party; or

92   (ii) services that relate to learning or employment, within the third-party contractor's

93   application, if the recommendation is not motivated by payment or other

94   consideration from another party;

95   [(d) respond to a student request for information or feedback, if the content of the

96   response is not motivated by payment or other consideration from another party;]

97   [(e)] (d) use student data to allow or improve operability and functionality of the

98   third-party contractor's application; or

99   [(f)] (e) identify for a student nonprofit institutions of higher education or scholarship

100   providers that are seeking students who meet specific criteria if the criteria does not

101   include a personal identity characteristic as that term is defined in Section 53B-1-118:

102   (i) regardless of whether the identified nonprofit institutions of higher education or

103   scholarship providers provide payment or other consideration to the third-party

104   contractor; and

105   (ii) only if the third-party contractor obtains authorization in writing from:

106   (A) a student's parent through the student's school or LEA; or

107   (B) for an adult student, the student.

108   (5) At the completion of a contract with an education entity, if the contract has not been

109   renewed, a third-party contractor shall return or delete upon the education entity's

110   request all personally identifiable student data under the control of the education entity

111   unless a student or the student's parent consents to the maintenance of the personally

112   identifiable student data.

113   (6)(a) A third-party contractor may not:

114   (i) except as provided in Subsection (6)(b), sell student data;

115   (ii) collect, use, or share student data, if the collection, use, or sharing of the student

116   data is inconsistent with the third-party contractor's contract with the education

117   entity; or

118   (iii) use student data for targeted advertising.

119   (b) A person may obtain student data through the purchase of, merger with, or otherwise

120   acquiring a third-party contractor if the third-party contractor remains in compliance

121   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

124   audience application with login credentials created by a third-party contractor's

125   application;

126   (b) apply if the student data is shared in accordance with the education entity's directory

127   information policy, as described in 34 C.F.R. 99.37;

128   (c) 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

130   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

132   third-party contractor if the education entity or third-party contractor obtains

133   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.

136   Section 2. **Effective Date.**

137   This bill takes effect on July 1, 2026.