

January 14, 2025

House Commerce and Consumer Affairs Committee
General Court of New Hampshire
107 North Main Street
Concord, NH 03301

Dear Chair Hunt, Vice Chair Potucek, and Members of the Committee:

On behalf of the millions of taxpayers and consumers we represent, the Taxpayers Protection Alliance (TPA) urges opposition to House Bill 1589. TPA does, however, support House Bill 1725, which strikes the proper balance of promoting innovation and safeguarding user privacy.

House Bill 1589

While well-intentioned, HB 1589's execution would be extremely flawed were it passed into law. The bill's technical requirements inadvertently create new privacy threats for consumers, which directly cuts against the supposed intent of the legislation. While the dangers HB 1589 would create are unintended, they are entirely predictable.

In the name of data portability and interoperability, HB 1589 would sacrifice privacy. Instead of giving users control exclusively of their own information and online activity, the bill would also give users power over the information and activity of other users with whom they interact. This would mean that, at the behest of one user, a platform might be legally required to expose the information of many third parties who would never consent to their privacy being put at that sort of risk. There is also no accounting for the practices of said third parties once data is exposed.

Moreover, if User A's data were to be transferred to a third-party platform by User B, User A would face obstacles to exercising his right to delete that data. User B might not even know of the location of his data once it has been transferred. And even if User A did have this knowledge, deleting data would, under HB 1589, require contacting multiple—perhaps many—digital platforms and services to remove his data from the internet.

The flaws of HB 1589 serve as a reminder that mandating interoperability and breaking open digital platforms comes with a cost. That cost is the foregoing of user privacy and security. This is a fact that many users recognize and reinforce with their consumer dollars. There is a reason why many of the most popular technological products—such as the iPhone—restrict certain functionalities in exchange for ease of use and robust cybersecurity. The state should not dictate the value of these tradeoffs to free consumers.

It is also worth noting that there is no technology currently in existence that would allow regulated platforms to comply with HB 1589's interoperability mandates. Besides the cost of innovating such a novel protocol, it is far from clear that the result would be a well-crafted and privacy protective service. Forcing platforms to scramble to innovate a novel protocol to ensure compliance with HB 1589 would be a recipe for creating unforeseen privacy and other risks.

Every design choice is a tradeoff. As is evidenced by the constantly changing nature of the technology in Americans' lives, technology companies are constantly innovating and adjusting to find the right balance. Lawmakers should stand back and let the market provide, rather than jeopardizing their constituents by rushing into mandates.

It's worth noting that New Hampshire is not the first jurisdiction to consider a regulation like HB 1589, although it would be one of the first U.S. states to enact one (Utah passed a similar bill in 2025). Although it generally regulates technology far more heavily than America, the European Union weighed such a proposal and rejected it, deciding that the juice wasn't worth the squeeze. When one of the world's foremost regulator of technology thinks a proposed law is too invasive, others should take note.

Technology is developing fast, and lawmakers are doing everything they can to keep up. However, in their understandable haste, they must take care not to endanger their constituents. In the final analysis, HB 1589 would create new digital dangers for consumers. Therefore, we urge you to reject it.

House Bill 1725

In 2025 alone, state legislatures across the country considered more than 1,000 AI-related bills. Many took a heavy-handed approach that would stifle innovation and harm consumers. However, HB 1725 is a laudable exception. This bill takes the proper approach: it seeks to extend existing tried-and-true principles of law and consumer protection while avoiding overbearing regulation that would hold back this crucial technology. This will do much to promote New Hampshire as a place of economic and technological dynamism—for innovators and consumers alike—in the 21st century.

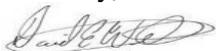
The bill's regulatory sandbox is a particularly important provision. This will allow innovators working with ground-breaking technologies badly-needed latitude to create potentially revolutionary products, all with the necessary oversight. It is likely to attract innovators to New Hampshire. Moreover, as AI becomes integrated in ever-expanding portions of the economy, the services created within the safe zone of the sandbox are likely to benefit yet-unknown business sectors in the state, as well as consumers.

HB 1725 attempts to apply existing consumer protection and legal principles to ensure that users will not be harmed as this promising technology develops. For example, the bill's prohibition against "develop[ing] or deploy[ing] an artificial intelligence system with the intent to unlawfully discriminate against protected classes under state or federal law" makes clear that the same protections that apply generally also apply to AI and its users. This approach—which seeks to adapt existing regulations, *mutatis mutandis*, for the AI age—is exactly right. Additionally, the bill rightfully recognizes that a simple, straightforward regulatory environment is the most beneficial to both consumers and businesses. By preempting other ordinances, rules, and regulations, it is recognizing that less is more when regulating these technologies, as consumers and businesses do not have to sift through multiple different regulations to find what rights they have or what obligations they are held to.

Conclusion

In an increasingly digital age, getting digital regulation right must be a high priority. Digital technologies are increasingly playing a large role in almost every sector of the economy and in everyday life, and it is imperative that legislators and regulators pass sensible, pro-innovation laws and avoid imposing laws that hold back innovation and deprive Americans of the benefits technology promises. For the reasons stated above, TPA urges you to reject HB 1589's flawed approach and work to promote HB 1725's well-considered approach. TPA appreciates your attention to this crucial issue and would welcome further conversations with you and your offices.

Sincerely,



David Williams
President