

March 26, 2026

The Honorable French Hill
Chair, House Financial Services
Committee
1533 Longworth House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member, House Financial
Services Committee
2221 Rayburn House Office Building
Washington, D.C. 20515

Marcus C. Evans Jr.

President, NCSL
Assistant Majority Leader,
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Barry Usher

President-Elect, NCSL
Senate Majority Whip,
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Senate Majority Leader,
Connecticut

Wayne A. Harper

President Emeritus, NCSL
Senate President Pro Tem,
Utah

Tim Storey

Chief Executive Officer,
NCSL

Re: State Concerns with Preemption in GLBA Modernization Discussion Draft

Dear Chairman Hill, Ranking Member Waters and Members of the Committee:

On behalf of the National Conference of State Legislatures (NCSL), the bipartisan organization representing the legislatures of our nation's states, territories and commonwealths, we write to express significant concerns with the broad preemption language included in the committee's discussion draft to amend Title V of the Gramm-Leach-Bliley Act (GLBA). While state lawmakers support efforts to strengthen consumer financial data privacy and security at the federal level, the proposal's approach to preemption requires NCSL to oppose the bill as drafted.

For more than two decades, GLBA has functioned as a federal floor rather than a ceiling, establishing baseline protection for consumers while preserving states' long-standing authority to adopt stronger safeguards in response to emerging risks, new technologies and unique local market conditions. The draft's revision of Section 507 would upend this balance by preempting any state statute or regulation that establishes privacy or security requirements for financial institutions subject to GLBA, even when those state laws provide additional protections for consumers.

State legislators have serious concerns that arguments asserting state "fragmentation" are overstated and overlook the reality of how states have acted in this space. In practice, state financial privacy and data security laws have increasingly converged around core principles, including reasonable data security obligations, limits on use and sharing of sensitive financial data and strong enforcement by state regulators. Many businesses already mitigate compliance burdens by aligning their practices with the highest applicable standards across jurisdictions, rather than tailoring policies on a state-by-state basis.

States have demonstrated that they are capable of acting thoroughly, nimbly and responsibly to respond to rapidly evolving data-driven risks, often far more quickly than Congress is able to do. An inflexible across-the-board preemption of state authority would freeze consumer financial privacy standards in statute, stifle innovation and prevent states from responding to unforeseen harms, including data breaches, misuse of biometric or geolocation data and risks arising from new financial technologies and artificial intelligence.

Importantly, there is substantial precedent for a more balanced approach. Many federal privacy and consumer protection laws including GLBA, HIPAA, FERPA and COPPA have historically established minimum federal standards while allowing states to enact stronger protections where appropriate. This structure respects constitutional principles of federalism, enhances accountability and allows states to serve as laboratories for policy innovation without undermining national consistency.

NCSL's bipartisan legislators agree that any modernization of GLBA should preserve the statute's role as a floor, not a ceiling, for consumer financial data protections. A federal framework can and should apply nationwide, but state laws that offer greater protections should remain in effect, and states should retain the authority to respond to new risks affecting their residents and financial markets.

We respectfully urge the committee to reconsider the scope of the draft's preemption language and to restore GLBA's traditional balance between national standards and state authority. NCSL and state legislators stand ready to work with the committee to strengthen consumer financial privacy and security while respecting the essential role states play in protecting residents, overseeing markets and responding to emerging risks. For further discussion or information, please contact any one of us or [NCSL Senior Legislative Director, Barrie Tabin](#).

Thank you for your consideration.

Sincerely,



Marcus C. Evans Jr.
NCSL President
Illinois House of Representatives



Barry Usher
NCSL President-Elect
Montana State Senate
