New Year, New Rules: What New Privacy Laws Mean for Your Wallet and Your Identity

December 31, 2025 - As the calendar flips to 2026, a wave of new state and federal privacy laws is changing the way your personal data is collected, sold, and protected - with direct consequences for your finances, your risk of identity theft, and even the ads that follow you online.

Starting January 1, residents in Indiana, Kentucky, and Rhode Island gain new rights over their personal information thanks to state-level consumer privacy laws. These laws let people request what data companies collect about them, demand corrections or deletions, and opt out of targeted advertising or the sale of their information. For example, the Indiana Consumer Data Protection Act and the Kentucky Consumer Data Privacy Act both give residents the power to say â€œnoâ€• to companies profiting off their personal details. Rhode Islandâ€™s new Data Transparency and Privacy Protecti Act takes it a step further by requiring businesses to explain why theyâ€™re collecting your data in the first place.

These arenâ€™t the only states stepping up. Across the country, a growing patchwork of privacy laws is making it harder for companies to ignore consumer rights - and harder for consumers to know exactly what protections they have. While California and Virginia were early leaders, 2025 saw a surge of new laws passed in at least eight more states, each with slightly different rules and enforcement approaches.

But this could all change if Congress manages to pass the proposed American Privacy Rights Act. This federal bill would create nationwide rules allowing people to access, delete, and control the use of their data. However, there's a catch: the current version of the bill would override many stronger state laws. That means if the federal law passes, states like California or Rhode Island might lose the ability to enforce stricter protections. Consumer advocates are sounding the alarm, warning that in trying to create one standard, Congress could actually weaken the strongest consumer safeguards already on the books.

Meanwhile, some state legislatures are pushing ahead with plans to strengthen identity theft laws. For example, Rhode Island is considering updates that would expand the legal definition of personal information and give law enforcement more tools to crack down on fraud. Other states may follow, as scammers continue to exploit outdated statutes in an age of data leaks and AI-powered fraud.

For everyday Americans, the message is clear: 2026 will bring more rights and more confusion. Depending on where you live, you might be able to take control of your data like never before - or you might soon be stuck with a weaker federal standard. Either way, keeping tabs on your privacy settings, credit reports, and account alerts has never been more important.

by Jim Malmberg
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