

**Department of Legislative Services**  
 Maryland General Assembly  
 2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 53  
 Economic Matters

(Delegate Wu)

Finance

**Task Force to Study E-Commerce Monopolies in the State (E-Commerce Antimonopoly Study of 2024)**

This bill establishes the Task Force to Study E-Commerce Monopolies in the State, staffed by the Office of the Attorney General (OAG). The task force must study the business practices and industry impacts of specified e-commerce businesses and make recommendations regarding potential methods to regulate e-commerce platforms for the purpose of enhancing and promoting small businesses and protecting consumers in the State. By December 1, 2024, the task force must report its findings and recommendations to the General Assembly. **The bill takes effect June 1, 2024, and terminates June 30, 2025.**

**Fiscal Summary**

**State Effect:** No effect in FY 2024. General fund expenditures increase by \$39,800 in FY 2025 only for contractual staff. No effect on revenues.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	39,800	0	0	0	0
Net Effect	(\$39,800)	\$0	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The task force must study the business practices and industry impacts of e-commerce businesses that individually have annual revenue exceeding \$10.0 billion, have a presence in the State, and are engaged in selling on their own online platforms first- and third-party products, for the purpose of (1) reviewing the data policies of the e-commerce businesses (including policies regarding the security and sale of personal data of consumers) and (2) determining to what extent, if any:

- e-commerce businesses have a monopoly in the e-commerce industry in the State;
- e-commerce businesses appear to copy and sell first-party products on their online platforms in a manner that substantially resembles the products of third-party sellers that are also being sold on the same online platforms;
- e-commerce businesses utilize tools, methods, algorithms, or customer data to unfairly give priority to and promote the sale of the first-party products that substantially resemble third-party products; and
- the business practices and industry impacts of e-commerce businesses harm small businesses in the State and create unfair competition.

The task force must also identify the ownership and country of origin of the parent companies of the e-commerce businesses noted above.

Members of the task force may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations.

**Current Law:** The Maryland Antitrust Act is designed to promote fair and honest competition, free of conspiracies, combinations, or agreements which unreasonably restrain trade or commerce. The State's antitrust laws are complementary to the federal Sherman Antitrust Act, contained in 15 U.S.C. §§ 1, *et seq.* The General Assembly has expressed its intent that, in construing the Maryland Antitrust Act, the courts be guided by the interpretation given by the federal courts to the federal statutes dealing with the same or similar matters.

Under the State's antitrust laws, a person is prohibited from unreasonably restraining trade or commerce by contract, combination, or conspiracy. State law specifically prohibits a contract, combination, or conspiracy that establishes a minimum price below which a retailer, wholesaler, or distributor may not sell a commodity or service. A restraint of trade or commerce is interference with the ordinary, usual, and free competitive pricing or distribution of goods or services in an open market. Furthermore, a restraint of trade is unreasonable if it tends to restrict production, raises prices, or otherwise control the market to the detriment of sellers, purchasers, or consumers of goods or services.

The Antitrust Division within OAG is responsible for enforcing the State’s antitrust laws and investigating possible violations, as specified.

**State Expenditures:** OAG advises that it needs additional staff to facilitate the operation of the task force. Specifically, OAG notes that its Antitrust Division has three assistant Attorneys General who are engaged in complex multistate and local cases and investigations involving large businesses. As a result, the Antitrust Division has limited time to engage in nonenforcement tasks. OAG advises it requires one full-time assistant Attorney General to staff the task force. While the Department of Legislative Services (DLS) acknowledges that OAG likely needs additional staff, DLS disagrees that OAG requires a full-time employee to staff the task force. Instead, DLS advises that a half-time contractual employee can adequately staff the task force.

Accordingly, general fund expenditures for OAG increase by \$39,838 in fiscal 2025, which reflects the costs of hiring one part-time contractual employee to staff the task force (and assumes a 30-day start-up delay from the bill’s June 1, 2024 effective date). It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	0.5
Salary and Fringe Benefits	\$33,122
Operating Expenses	<u>6,716</u>
<b>Total FY 2025 State Expenditures</b>	<b>\$39,838</b>

Future year expenditures reflect termination of the contractual position on December 31, 2024, shortly after the task force’s report is due.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division);  
Department of Legislative Services

**Fiscal Note History:** First Reader - January 26, 2024  
km/jkb Third Reader - March 18, 2024  
Revised - Amendment(s) - March 18, 2024  
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