

LATE - MoCoOfficeConsumerProtection_FAV_SB34

Uploaded by: Boucher, Kathleen

Position: FAV

Rec'd 2/4/20



Montgomery County Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 34

DATE: January 29, 2020

SPONSOR: Senator Kagan

ASSIGNED TO: Finance

CONTACT PERSON: Kathleen Boucher (kathleen.boucher@montgomerycountymd.gov)

POSITION: SUPPORT (Office of Consumer Protection)

Consumer Protection – Scanning or Swiping Identification Cards and Driver's Licenses – Prohibition

Montgomery County's Office of Consumer Protection supports SB 34 as an important first step in defending against the unauthorized proliferation of consumer personal identifying information.

Montgomery County's Office of Consumer Protection is a law enforcement agency established over 40 years ago to investigate and resolve consumer complaints. Each year, we receive thousands of telephone calls and written complaints from consumers seeking information and assistance. Included in these complaints and calls are consumers impacted by data breaches and identity theft.

According to Javelin Strategy & Research 2019 Identity Fraud Study, approximately 14.4 million individuals were victimizedⁱ by identity fraud resulting in approximately \$14.7 billion in losses.ⁱⁱ

With each year comes more data breaches. The Equifax data breach where 145 million consumers were compromised dominated 2017.ⁱⁱⁱ Yet in 2018, hackers stole nearly half a *billion* personal records.^{iv} In 2019, one hack resulted in the theft of 22 million unique passwords.^v

The main issue is that businesses continue to collect and store more and more data in a single place.^{vi} This excessive storage is exacerbated by the length of time that data is stored (well beyond its utility to the underlying business) and by the fact that businesses collect data that consumers do not even know is being collected, e.g., facial recognition technology,^{vii} social media,^{viii} biometrics, etc.

This bill is an important first step. Thank you for your time and please feel free to contact me for any additional information.

ⁱ <https://www.javelinstrategy.com/coverage-area/2019-identity-fraud-study-fraudsters-look-for-new-targets-and-victims-bear-brunt>

ⁱⁱ <https://www.digitalcommerce360.com/2019/04/09/card-not-present-fraud-decreases-but-online-account-take-over-fraud-increases-in-2018/>

ⁱⁱⁱ <https://gizmodo.com/the-great-data-breach-disasters-of-2017-1821582178>

^{iv} <https://www.nbcnews.com/business/consumer/you-ve-been-breached-hackers-stole-nearly-half-billion-personal-n966496>

^v <https://mashable.com/article/collection-1-password-breach/#.KKOFVOjauOb>

^{vi} <https://www.javelinstrategy.com/coverage-area/2019-identity-fraud-study-fraudsters-look-for-new-targets-and-victims-bear-brunt>

^{vii} <http://nymag.com/intelligencer/2018/10/retailers-are-using-facial-recognition-technology-too.html> (facial recognition used by retailers)

^{viii} Cf. <https://www.businessinsider.com/ftc-confirms-that-it-is-investigating-facebook-2018-3> (FTC investigating Facebook in wake of Cambridge Analytica scandal)

Epic_FAV_SB34

Uploaded by: Fitzgerald, Catriona

Position: FAV

January 28, 2020

The Honorable Delores G. Kelley, Chair
The Honorable Brian J. Feldman, Vice-Chair
Senate Finance Committee, Maryland State Senate
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, MD 21401 - 1991

Dear Chair Kelley and Vice-Chair Feldman:

EPIC writes in support of Senate Bill 34: Prohibition of Scanning or Swiping Identification Cards and Driver's Licenses and its companion legislation in the House filed by Delegate Brian Crosby.

EPIC is a public interest research center established in 1994 to focus public attention on emerging privacy and civil liberties issues. EPIC is a leading advocate for civil liberties and democratic values in the information age, and works closely with a distinguished Advisory Board. EPIC has filed several amicus briefs urging federal courts to protect drivers' privacy.¹

Far more needs to be done to safeguard the personal information American consumers. Harmful data breaches have become commonplace for American consumers and action must be taken to prevent future breaches and to protect consumers in the event of a data breach.

Passage of SB34 would be an important step towards protecting Maryland residents from the risks of data breach. The best defense against data breaches is not collecting and retaining personal data in the first place. The reasonable restrictions against the scanning or swiping of identification cards and drivers licenses proposed in this bill will reduce the amount of sensitive personal data stored by companies, thus reducing the risk of data breaches.

We ask that this letter and the accompanying article be entered in the hearing record. EPIC looks forward to working with the Committee on these issues of vital importance to the American public.

Sincerely,

/s/ Marc Rotenberg
Marc Rotenberg
EPIC President

/s/ Caitriona Fitzgerald
Caitriona Fitzgerald
EPIC Policy Director

¹ See, e.g., *McDonough v. Anoka County*, 799 F.3d 931 (8th Cir. 2015); *Maracich v. Spears*, 133 S. Ct. 2191 (2013); *Reno v. Condon*, 528 U.S. 141 (2000); *Gordon v. Softech Int'l Inc.*, 726 F.3d 42 (2d Cir. 2013); *Kehoe v. Fidelity Fed. Bank & Trust*, 421 F.3d 1209 (11th Cir. 2005).

Senator Kagan_FAV_SB34

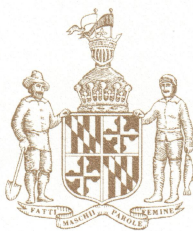
Uploaded by: Kagan, Cheryl

Position: FAV

CHERYL C. KAGAN
Legislative District 17
Montgomery County

Vice Chair
Education, Health, and
Environmental Affairs Committee

Joint Audit Committee
Joint Committee on Federal Relations



Miller Senate Office Building
11 Bladen Street, Suite 2 West
Annapolis, Maryland 21401
301-858-3134 · 410-841-3134
800-492-7122 Ext. 3134
Fax 301-858-3665 · 410-841-3665
Cheryl.Kagan@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SB34: Restricting the Practice of Drivers' License Swiping by Retailers
Senate Finance Committee
Hearing: Wednesday, January 29, 2020, 2:45 PM FIN

We've all read about enormous data breaches at companies like Target, Yahoo, and others. Last year, Javelin Strategy & Research found that 14.4 million U.S. consumers were victims of ID theft in 2018, suffering losses of more than \$14.7 billion. As our society becomes more electronically connected, it becomes even more important to protect our privacy from hackers -- but harder to do so. SB34 would help. This bill passed the Senate unanimously last year.

Consumer information such as driver's license number, home address, birth date, and Social Security number used to be private. Unfortunately, in Maryland, companies with an inexpensive scanner can access and retain the data on a driver's license or state identification card. We don't really know how companies are using or protecting our personal details.

There's not much Texas and California agree on -- but they both have laws that restrict ID swiping. Along with ten other states, they've enacted reasonable limits on companies having unfettered access to our personal data.

There's an even more pressing need to take action now as Maryland upgrades licenses to the federal "Real ID" standards. According to the Motor Vehicle Administration, there is significantly more data on Real ID licenses than on previous versions. Federal mandates were designed to make federal buildings and commercial airlines more secure. **We don't need to give Target and Home Depot the same information we give the FBI.**

SB34, based on model language written by the American Association of Motor Vehicle Administrators (www.AAMVA.org) would regulate ID swiping except when:

- verifying age or identity;
- authenticating a driver's license or ID;
- collecting information required by law; or,
- being used by police officers acting within their legal duties.

Amendment:

I worked with the Maryland Association of Boards of Education on an amendment to ensure our schools can check school visitors against sexual predator records.

SB34 balances the interests of consumer privacy with legitimate business needs. I urge a favorable report on the bill again this year.

MBA_FAV_SB34

Uploaded by: Murphy, Kathleen

Position: FAV



Senate Bill 34 – Consumer Protection - Scanning or Swiping Identification Cards and Driver's Licenses - Prohibition

Senate Finance Committee – January 29, 2020

Support

Senate Bill 34 prohibits a person from (1) using a “scanning device” to scan or swipe an identification card or a driver’s license to obtain personal information; (2) retaining any information collected from scanning or swiping an identification card or a driver’s license; or (3) selling or transferring any information collected from scanning or swiping an identification card or driver’s license except as required by law. The legislation creates several exceptions to the scanning and retention prohibitions, including if they are required by law or are needed for approving negotiable instruments, electronic funds transfers or other similar methods of payment. Violation of the section is an unfair and deceptive trade practice.

The Maryland Bankers Association supports SB 34 as drafted.

Senate Bill 34 does not apply to a depository financial institution that is scanning an identification card or driver’s license in connection with deposit accounts and loans. Senate Bill 34 also recognizes that depository institutions provide other services and products to individuals at the request of the individuals, such as notary services, wiring funds, selling money orders, etc. There is a need for the depository institution to obtain and retain information about individuals in connection with these additional products and services.

For these reasons, the Maryland Bankers Association supports SB 34.

CPD_FAV_SB 34

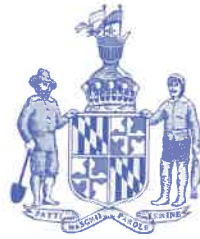
Uploaded by: Sakamoto-Wengel, Steve

Position: FAV

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General




WILLIAM D. GRUHN
Chief
Consumer Protection Division

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.
(410) 576-6307

January 29, 2020

TO: The Honorable Delores G. Kelley, Chair
Senate Finance Committee

FROM: Steven M. Sakamoto-Wengel 
Consumer Protection Counsel for Regulation, Legislation and Policy

RE: Senate Bill 34 -- Consumer Protection -- Scanning or Swiping
Identification Cards and Driver's Licenses - Prohibition -- SUPPORT

The Consumer Protection Division of the Office of the Attorney General supports Senate Bill 34, sponsored by Senator Kagan, which would prohibit a person from using a scanning device or card reader to collect information from an individual's driver's license or identification card, unless the person has a legitimate reason for collecting that information. The bill would also prohibit the person from retaining or selling information from an individual's license or identification card. Driver's licenses and identification cards contain significant personal information about an individual -- information that can be used for identity theft or other nefarious purposes. Especially in light of the rash of data breaches, there is no reason why someone should collect and retain that personal information unless they have a legitimate reason for collecting such information as set forth in the bill.

Here is the experience of one of the Consumer Protection Division's employees:

A senior apartment community in Baltimore City invited me to conduct a scams presentation for their residents. The security guard asked to see my ID—the operative word here is “see.” The guard quickly scanned my driver's license before I could object to it. In an instant, my privacy was gone.

I had no idea what data they were collecting, how they were storing it, who had access to this data about me, how long they would store it or what they were doing with my personal data. There was no posted notice alerting visitors about the apartment complex's ID scanning policy. There was no written privacy policy or any information about their data collection policy. No

200 Saint Paul Place ♦ Baltimore, Maryland 21202-2021

Main Office (410) 576-6300 ♦ Main Office Toll Free (888) 743-0023

Consumer Complaints and Inquiries (410) 528-8662 ♦ Health Advocacy Unit/Billing Complaints (410) 528-1840

Health Advocacy Unit Toll Free (877) 261-8807 ♦ Home Builders Division Toll Free (877) 259-4525 ♦ Telephone for Deaf (410) 576-6372

www.marylandattorneygeneral.gov



The Honorable Delores G. Kelley
Senate Bill 34
January 29, 2020
Page Two

one asked for my consent or even informed me that my license would be scanned beforehand. I successfully challenged the apartment management to have my data removed from their system. While I was lucky, the average person cannot convince these organizations to delete their data, once it has been collected.

The Division believes that Senate Bill 34 is a reasonable measure that helps protect individuals' personal information against misuse and recommends that the Finance Committee issue a favorable report.

cc: Members, Senate Finance Committee
The Honorable Cheryl Kagan

MarylandConsumerRightsCoalition_FAV_SB34

Uploaded by: White, Marceline

Position: FAV



Maryland Consumer Rights Coalition

Testimony to the Senate Finance Committee
SB 34: Consumer Protection – Scanning Identification Cards and Driver's Licenses – Prohibition
Position: Favorable

January 29, 2020

Senator Delores Kelley, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401
Cc: Members, Senate Finance

Honorable Chairwoman Kelley and Members of the Committee:

The Maryland Consumer Right Coalition is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland. We are here today in support of SB 34.

A common practice among businesses in Maryland is to require ID of consumers who are returning a purchase – even when they have a valid receipt. Businesses then scan the ID, which allows the business to record personal and non-pertinent information about the consumer. In our internet-centric society, that personal data is easily converted into money for the business through data sales and potential woes for the consumer. Businesses should not require that consumers forgo their right to privacy in order to complete a basic transaction.

SB 34 is a simple fix to a problem that has the potential to grow exponentially as Big Data continues to monetize personal information. By restricting the scanning of licenses except when legally mandated or logistically necessary, this bill turns off the faucet of private data pouring into corporate bank accounts. Twelve states have already passed similar laws; Maryland should extend the same consumer privacy protections to residents of our state.

For all these reasons, we support SB 34 and urge a favorable report.

Best,

Marceline White
Executive Director

MDDCCUA_FWA_SB34

Uploaded by: Murray, Rory

Position: FWA



Chairwoman Delores Kelley
3 East
Miller Senate Office Building
Annapolis, MD 21401

SB34: Consumer Protection - Scanning or Swiping Identification Cards and Driver's Licenses - Prohibition

Testimony on Behalf of MD|DC Credit Union Association

Position: Favorable w/ Amendments

Chairwoman Kelley, Vice-Chair Feldman and Members of the Committee:

On behalf of the MD| DC Credit Union Association and the 84 Credit Unions and their 1.9 million members that we represent in the State of Maryland, we appreciate the opportunity to submit testimony on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives whose mission is to promote thrift and provide access to credit for provident and productive purposes for our members.

The MD|DC Credit Union Association is in general support of this legislation since it is not meant to pertain to financial institutions, however, we request a clarifying amendment. The term “depository institution” is not uniform across the Financial or Commercial Articles and often only includes banks and saving and loan associations, while excluding credit unions.

We would request that the language be amended to:

THIS SECTION DOES NOT APPLY TO A ~~DEPOSITORY~~ FIDUCIARY INSTITUTION AS DEFINED IN Md. Fin. Inst. Art. §1-301 THAT USES A SCANNING DEVICE TO SCAN OR SWIPE AN INDIVIDUAL’S IDENTIFICATION CARD OR DRIVER’S LICENSE IN CONNECTION WITH:..

The term fiduciary institution as defined in the financial article §1-301 is a comprehensive list of depository institutions and will clear up any issues that may arise from a less precise definition

Md. Fin. Inst. Art §1-301.

- (a) In this subtitle the following words have the meanings indicated.
- (b) (1) “Fiduciary institution” means:
 - (i) A national banking association;
 - (ii) A State banking institution;
 - (iii) An other-state bank that maintains a branch in this State;
 - (iv) A credit union that is organized under the laws of this State or of the United States;



- (v) Any other organization that is organized under the banking laws of this State and subject to the supervision of the Commissioner; or
- (vi) A savings and loan association that is organized under the laws of this State or of the United States.

We have had several discussions with the bill sponsor's staff and hope that this our requested amendment is accepted.

Please do not hesitate to contact me at 443-325-0774 or jbratsakis@mddccua.org, or our VP of Advocacy, Rory Murray at rmurray@mddccua.org should you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "John Bratsakis". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Bratsakis".

John Bratsakis
President/CEO
MD|DC Credit Union Association
8975 Guilford Rd., Suite 190
Columbia, MD 21046

BCPSS_FWA_SB0034

Uploaded by: Sterrette, Dawana

Position: FWA

BALTIMORE CITY PUBLIC SCHOOLS

Bernard C. “Jack” Young
Mayor, City of Baltimore

Linda Chinnia
*Chair, Baltimore City Board of
School Commissioners*

Dr. Sonja Brookins Santelises
Chief Executive Officer

**Testimony of the
Baltimore City Board of School Commissioners
Support with Amendment
Senate Bill 34 – Consumer Protection –
Scanning or Swiping Identification Cards and Driver’s Licenses – Prohibition**

January 29, 2020

The Baltimore City Board of School Commissioners understand the need for a secure and safe environment for its students and staff, particularly in light of the tragic incident at the occurred at Frederick Douglass High School. In our schools, we currently use the scanning of identification cards and driver’s license as a way to ensure that our students and staff are safe. The school board in no way wants to lose the ability to determine who is in the building, especially since many of our schools are in locations that are perceived as unsafe.

A blanket prohibition against scanning for schools should be avoided and is not in the best interest of safety for our students and staff. **The school board would request that school systems be amended out of this legislation.** This body passed the Safe to Learn Act of 2018 and this law requires, rightfully so, that school boards put in place strategies, policies and school resource officers to improve safety measures at our school buildings. The removal of the ability to scan or swipe identification cars or driver’s licenses is contrary to the efforts.

For the foregoing reasons, the Baltimore City Board of School Commissioners supports with amendment Senate Bill 34 and urges a favorable report with the amendment proposed.

Dawana Merritt Sterrette, Esq.
Director, Legislative and Government Affairs
dsterrette@bcps.k12.md.us
443-250-0190

Melissa Broome
Director, Policy and Legislative Affairs
mcbroome@bcps.k12.md.us
443-525-3038

LATE_MABE_FWA_SB34

Uploaded by: Woolums, Esq., John R.

Position: FWA



621 Ridgely Avenue, Suite 300, Annapolis, Maryland 21401
410-841-5414 · 800-841-8197 · Fax: 410-841-6580 · MABE.org

BILL: Senate Bill 34
TITLE: Consumer Protection - Scanning or Swiping Identification Cards and Driver's Licenses - Prohibition
DATE: January 29, 2020
POSITION: SUPPORT WITH AMENDMENTS
COMMITTEE: Finance Committee
CONTACT: John R. Woolums, Esq.

The Maryland Association of Boards of Education (MABE) supports Senate Bill 34, with an amendment to clarify that schools may continue to scan any person's identification, including a driver's license, for school safety purposes.

This bill would prohibit a person from using a scanning device to scan or swipe an identification (ID) card or a driver's license to obtain personal information. Furthermore, the bill would prohibit the retaining, selling, or transferring information collected from scanning or swiping IDs, except as required by law.

The bill defines person in such a manner as to include all entities, including state and local governmental entities, and therefore would directly impact the ability of public schools to scan IDs. The passage of the Safe to Learn Act of 2018, and the funding of school security grants, saw a dramatic increase in investments in developing in-house systems or entering into contractual service agreements to enable schools to routinely scan the IDs of all school visitors. MABE is committed to preserving the ability of schools to do so, in the interests of students, staff and communities in the heightened awareness regarding who is present in our school buildings at all times, and most importantly, the capacity to know immediately whether a visitor is in the national registered sex offender database or otherwise identified as a person prohibited to enter onto school premises.

In this light, MABE is requesting the legislature's recognition of this critical public safety function, and the need to preserve the functionality of our ID scanning systems. MABE greatly appreciates the bill sponsor's agreement to an amendment to reflect this concern by ensuring that schools remain able to cross-reference all visitors' IDs through systems that identify potential threats to school safety and security, and ensure that all visitors are visibly identifiable as having permission to be on school grounds.

For these reasons, MABE requests a favorable report on Senate Bill 34, with the amendment described above.