

TESTIMONY PRESENTED TO THE
HOUSE COMMITTEE ON ECONOMIC MATTERS

HB 567 (MARYLAND ONLINE DATA PRIVACY ACT OF 2024)

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STAFF, MARYLAND CYBERSECURITY COUNCIL

POSITION: SUPPORT

February 13, 2024

Mr. Chairman, Vice Chairman, and members of the committee, thank you for the opportunity to testify. I am Dr. Greg von Lehmen, staff to the Maryland Cybersecurity Council, a statutory body chaired by Attorney General Brown. I am here to support HB 567 as consistent with Council recommendations.

I urge favorable consideration for three reasons.

First, when it comes to their sensitive data, consumers are vulnerable, and they suffer the consequences. As this committee knows, data about every aspect of our lives is collected at scale, attached to our personal identities, bought, sold, and diffused across many companies. Much of this activity is without our informed consent or knowledge. A published report by the Maryland Attorney General’s Office indicates that in FY 2022 there were almost a million reported Maryland residents whose personal identifying data was impacted by breaches.¹ When this happens, the costs are sometimes at the low end, like waiting for a new credit card. But there are high end costs too: ID theft, financial account takeovers, extortion, and on and on.

Second, this policy idea—codifying basic consumer privacy rights—has been kicked around for a while. There are now 13 states that have comprehensive consumer privacy rights legislation.² This is a bipartisan effort. California was the first. But in

¹ Office of the Attorney General Identity Theft Program. (2023). *Data Breaches FY 2022 Snapshot*. <https://www.umgc.edu/content/dam/umgc/documents/md-cybersecurity-council/data-breaches-fy-2020-snapshot-pdf.pdf> Note: There were more than 1,300 reported breaches impacting Maryland residents in FY 2022. The number of residents affected likely overstates the number of unique residents impacted. This is because breaches are reported independently by each entity, making it probable that some residents were affected by more than one breach. This is particularly true when viewed longitudinally. The cumulative number of separately reported Maryland residents affected for the four snapshot reports to date comes to more than 6.2 million. The four reports are for 2016, 2018, 2020, and 2022.

² *US State Privacy Legislation Tracker*. (2024, February 2). IAPP. <https://iapp.org/resources/article/us-state-privacy-legislation-tracker/>

the mix is Texas, Tennessee, Virginia, Delaware, and a number of other red and blue states. There is some variation among their statutes reflecting different equilibria of interests. An example is whether to include the right of private action. But at their core, these statutes are very similar. House Bill 567 is informed by this experience. It is a good bill for Maryland.

Finally, the question is: if not now, when? The 13 states that I mentioned represent 35% of the American population. In my count, this is the fourth session of the General Assembly that a comprehensive consumer privacy bill has been proposed.³ Given the risks, Maryland residents deserve to be allowed a greater role in reducing their exposure to breaches and the consequences. House Bill 567 would do this. The time is now.

I urge favorable consideration of the bill.

Thank you.

³ The others are HB 807/SB 698 (2023), SB 11 (2022), and SB 930 (2021).