



March 21, 2024

Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

Re: House Bill 567 – Maryland Online Data Privacy Act of 2024

Dear Committee Members:

On behalf of the American Hotel & Lodging Association, I write to express my concerns with HB 567, which would threaten the viability of consumer loyalty programs.

If enacted, Maryland will be the first state in the nation at serious risk of losing loyalty programs. Not only will Maryland be a national and regional outlier on this issue, it could send visitors to other nearby states if hotels cannot operate loyalty programs in Maryland. Major event planners would move conferences to other states with hotels that can legally operate these programs.

Loyalty programs are a major component of leisure and business travel. Frequent travelers take advantage of these programs to save money on travel. Not accepting hotel loyalty programs in Maryland would discourage leisure and business travelers from visiting, resulting in fewer bookings and revenue for small business hotel owners.

Loyalty programs provide discounts or rewards to hotel guests to encourage return visits to their properties. By definition, loyalty programs prioritize privacy by requiring guests to opt into the plan to receive the benefits of the program.

Many states have already passed data privacy laws that provide antidiscrimination provisions while preserving loyalty programs. While we appreciate the desire of lawmakers to enhance data privacy, prohibiting the transfer and sharing of data within the program places a punitive and unnecessary burden on loyalty programs.

We urge you to preserve customer loyalty programs by adopting the language in companion bill SB 541 which will allow hotels to continue offering loyalty programs guests support and enjoy using.

If you have any questions, please do not hesitate to contact me at ssykes@ahla.com or 804.240.9919.

Sincerely,

Sharon T. Sykes
American Hotel & Lodging Association