



SENATE FINANCE COMMITTEE

March 21, 2024

STATEMENT OF OPPOSITION TO HOUSE BILL 567

As Maryland-headquartered companies, Marriott and Under Armour oppose House Bill 567 due to its punitive and unnecessary restrictions on consumer loyalty programs. The bill unfairly prohibits the transfer and sharing of data within loyalty programs, but includes no equivalent prohibitions for data brokers, social media companies, or metasearch companies. In doing so, HB 567 inexplicably burdens loyalty programs beyond all other types of businesses.

Loyalty programs, by their very design, prioritize customer privacy by requiring individuals to affirmatively opt into the program to access discounts, rewards, or other benefits. This opt-in requirement ensures that consumers have full control over their participation in the program and the sharing of their personal information.

HB 567's proposed restrictions overlook the privacy safeguards already in place within loyalty programs. These programs operate transparently, allowing customers to make informed decisions about their participation based on the benefits offered and the data sharing involved.

While we are generally supportive of efforts to enhance data privacy, HB 567 poses an unnecessary risk to loyalty programs. The consequences of these restrictions, both intended and unintended, threaten to invalidate program partnerships and features that are incredibly popular with consumers.

While other states have enacted data privacy laws, **no other state in the country has adopted restrictions on loyalty programs like those contained in HB 567.** If enacted, HB 567 would make our home state of Maryland the only state in the country without an exception to preserve loyalty programs, depriving Maryland residents of the benefits of these programs in which they voluntarily participate.

Our loyalty programs are essential to the success of our global businesses. We urge you to amend HB 567 by striking the House amendment on page 23, line 19, through page 24, line 3, to ensure that Maryland's privacy regulations strike the right balance between protecting consumer data and fostering innovation and consumer choice within loyalty programs.

Marriott International, Inc. is a global lodging leader headquartered in Bethesda, Maryland. Since its founding in the 1920s as a small restaurant chain in Washington, DC, the company has grown to comprise more than 8,000 lodging properties in 129 countries and territories, including over 100 hotels and 10,000 associates here in the State of Maryland. Marriott's loyalty program is one of the largest in the world.

Under Armour, Inc., headquartered in Baltimore, Maryland, is a leading inventor, marketer, and distributor of branded athletic performance apparel, footwear, and accessories. Designed to empower human performance, Under Armour's innovative products and experiences are engineered to make athletes better.