

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 354
Economic Matters

(Delegate Boutin, *et al.*)

**Commercial Law - Task Force to Study the Use of Radio Frequency
Identification Tags by Retailers and Manufacturers**

This bill establishes a Task Force to Study the Use of Radio Frequency Identification Tags by Retailers and Manufacturers to study privacy issues and other matters related to radio frequency identification tags. The Department of Legislative Services is required to provide staff for the task force. The task force is required to report to the Governor and the General Assembly by September 30, 2006.

The bill terminates September 30, 2006.

Fiscal Summary

State Effect: None. Any expense reimbursements for the task force members and staffing costs for the Department of Legislative Services are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Background: Radio frequency identification (RFID) tags are microchips attached to merchandise and used by retailers for inventory tracking. RFID tags receive a radio transmission and respond by transmitting their unique identification code back to the radio receiver.

Some believe that the technology could soon be used by shoppers to make purchases without having to go to the cash register. A shopper with an RFID transmitter linked to a bank account or credit card account would enter a store. The shopper would choose an item from a shelf, and the item's RFID tag would transmit its information as the shopper leaves the store. The store would then bill the shopper's account for the item.

Additional Information

Prior Introductions: An identical bill, HB 32, was introduced during the 2004 session and received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2005
mam/jr

Analysis by: T. Ryan Wilson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510