

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1365 (Delegate Harrison)
Economic Matters

Commercial Law - Online Data Privacy - Limits on Data Collection

This bill alters certain requirements for a controller relating to the collection of personal data under the Maryland Online Data Privacy Act.

Fiscal Summary

State Effect: The bill is not anticipated to have a material effect on State finances or operations.

Local Effect: The bill is not anticipated to have a material effect on local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

Maryland Online Data Privacy Act

Chapters 454 and 455 of 2024 (the Maryland Online Data Privacy Act of 2024) establish new consumer protections and rights, as well as disclosure obligations, relating to online personal data controlled or processed by certain entities that conduct business in the State or provide services or products that are targeted to residents of the State. Violation of the Maryland Online Data Privacy Act is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil and criminal penalty provisions.

Under the Acts, a “controller” means a person that, alone or jointly with others, determines the purpose and means of processing personal data. “Personal data” means any information that is linked (or can be reasonably linked) to an identified or identifiable consumer. Among other requirements, a controller must limit the collection of personal data to what is reasonably necessary and proportionate to provide or maintain a specific product or service requested by the consumer to whom the data pertains.

The bill modifies this requirement by specifying that a controller must limit the collection of personal data to what is *adequate, relevant, and reasonably necessary in relation to the purposes for which the data is processed, as disclosed to the consumer.*

Maryland Consumer Protection Act

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

Additional Comments: Although the bill specifies it takes effect on the same date as Chapters 424 and 425 of 2024, those Acts do not relate to the Maryland Online Data Privacy Act. This analysis assumes the bill is intended to take effect on the same date as the Maryland Online Data Privacy Act (*i.e.*, *Chapters 454 and 455* of 2024, which have an October 1, 2025 effective date).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2025
km/jkb

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