

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 695
Finance

(Senators Kagan and Gile)

Consumer Protection - Driver's License and ID Card Swiping - Regulation

This bill generally prohibits a person from swiping the driver's license or identification (ID) card of an individual. The bill specifies the circumstances in which the swiping prohibition does not apply and limits how any information obtained from swiping may be used. Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil and criminal penalty provisions.

Fiscal Summary

State Effect: The bill's imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill's requirements with existing resources.

Local Effect: The bill's imposition of existing penalty provisions does not have a material impact on local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: A person *may* swipe the driver's license or ID card of an individual in the following circumstances:

- to verify the authenticity of the credential;

- to verify the identity of an individual who (1) makes a purchase from the person with a method other than cash; (2) returns an item purchased; or (3) requests a refund;
- to verify the age of the individual when providing an age-restricted good or service;
- to prevent fraud or other criminal activity, as specified;
- to transmit information to a check services company for the approval of a negotiable instrument, an electronic funds transfer, or any other similar payment method; and
- if the person is a financial institution, to collect information for processing a deposit or loan.

If a person swipes a driver's license or ID card to verify the authenticity of the credential, to verify the identity of an individual for certain transactions, or to verify the age of an individual when providing age-restricted good or services, the person may not store, sell, or share the personal information collected. Similarly, if a person swipes a driver's license or ID card for purposes related to fraud prevention and/or financial transactions, the person may store or share only specified information.

A person *not* regulated under the federal Fair Credit Reporting Act (FCRA) that receives personal information from a swiped driver's license or ID card may use the information only to prevent fraud against the person that provided the personal information; a person that *is* regulated under the FCRA may use the information only to prevent fraud or to effect, administer, or enforce a transaction.

A governmental entity may swipe a driver's license or an ID card of an individual only if the driver's license or ID card is (1) knowingly and willingly provided by the individual; (2) confiscated by the governmental entity; (3) required for emergency assistance; or (4) mandated by a court order.

The bill does not prohibit a law enforcement officer or law enforcement agency, while acting within the scope of official duties, from (1) swiping an individual's driver's license or ID card or (2) recording, retaining, or transmitting personal information received from a swiped driver's license or ID card.

Current Law:

Disclosure of Driver's License Information

State law does not specifically restrict or prohibit persons (including businesses) from asking individuals to inspect, scan, and/or store the information contained in driver's licenses. The Motor Vehicle Administration (MVA), however, must adhere to

federal and State laws regarding the disclosure of information contained in driver's license records.

For example, a "custodian" who possesses public records of MVA is prohibited from disclosing any personal information contained in those records for surveys, marketing, and solicitations, without the written consent of the person in interest. The purpose of the surveys, marketing, or solicitations must be approved by MVA. A custodian is an "official" custodian or any other authorized individual who has physical custody and control of a public record. An official custodian is an officer or employee of the State or a local government who is responsible for keeping a public record, regardless of whether the officer or employee has physical custody or control of the public record.

A custodian of public records of MVA that contain personal information is required to disclose personal information upon request by a legitimate business, as specified, for use in the normal course of business activity, but only to (1) verify the accuracy of the personal information or (2) obtain correction of inaccurate information, but only to prevent fraud, pursue legal remedies, or recover on a debt or security interest.

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 Information

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

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Maryland Department of Transportation; Department of Legislative Services

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