

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 616
 Finance

(Senator Hester, *et al.*)

Business Regulation - Data Broker Registry

This bill requires “data brokers” to register with the Comptroller. By January 31 each year, a business entity that acted as a data broker during the previous calendar year must submit specified information to the Comptroller, including a declaration that includes specified information generally relating to brokered personal data. Registration fees set by the Comptroller must be set in an amount that is sufficient to pay for the registration program. The Comptroller must make the submitted information publicly available on the Comptroller’s website. By December 31, 2027, and annually thereafter, the Comptroller must report to the Governor and the General Assembly on its activities related to the registration of data brokers.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$750,000 in FY 2027 for one-time information-technology (IT) costs. General fund revenues increase by a commensurate amount in FY 2027 from registration fees, and by an indeterminate amount annually thereafter, as discussed below.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	\$750,000	-	-	-	-
GF Expenditure	\$750,000	\$0	\$0	\$0	\$0
Net Effect	\$0	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Selected Definitions

“Resident individual” means an individual who resides in the State.

“Biometric information” means a record of one or more measurable biological or behavioral characteristics that can be used alone or in combination with each other or with other information for automated recognition of a known or unknown individual.

“Brokered personal data” means specified computerized data elements about a resident individual, if categorized or organized for sale or licensing to another entity, including biometric information.

“Data brokering” means the act of collecting, selling, or licensing brokered personal data, subject to specified exceptions.

A “data broker” means any entity that engages in data brokering, with the exception of specified consumer reporting agencies; financial institutions; and nonprofit organizations that assist law enforcement agencies and first responders.

Exception to Registration

A data broker is not required to register with the Comptroller if the only brokered personal data involves (1) providing publicly available information that is related to a resident individual’s business or profession; (2) providing publicly available information as part of a service that provides alerts for health or safety purposes; (3) providing directory assistance or directory information services as or on behalf of a telecommunications carrier; or (4) selling the assets of a business entity or a part of a business entity a single time or only occasionally as part of a transfer of control over the assets that is not part of the ordinary conduct of the business entity or the part of the business entity.

Data Broker Registration

By January 31 each year, a business entity that acted as a data broker during the previous calendar year must:

- submit on a form and in a format the Comptroller specifies (1) the name of the data broker; (2) the street address and telephone number of the data broker; and (3) the data broker’s primary website and email address;

- pay a fee in an amount that the Comptroller determines; and
- include with the registration form a declaration with specified attestations.

The Comptroller must establish the fee in an amount that is sufficient to pay the costs of administering the registration program, and the fees collected must be used to administer the registration program. Any remaining funds must be distributed to the Office of the Attorney (OAG) to be used for the enforcement of the Maryland Age-Appropriate Design Code Act, the Online Data Privacy Act, and any State or federal laws involving specified forms of technology.

A registration is valid until December 31 of each year the Comptroller approves the registration.

Annual Report

By December 31, 2027, and annually thereafter, the Comptroller must report to the Governor and the General Assembly on the following (1) how many business entities registered with the Comptroller as data brokers that year; (2) the fee charged for registration per data broker and the total revenue collected; (3) how many business entities were fined for noncompliance; and (4) any other information the Comptroller determines is relevant.

Penalties

A business entity that fails to register with OAG must be liable for (1) a fine of \$200 for each day the business entity fails to register and (2) the expenses incurred by OAG in investigating the data broker's failure to register. Fines collected must be used for OAG's enforcement of the Maryland Age-Appropriate Design Code Act, the Online Data Privacy Act, and any other State or federal laws involving specified forms of technology.

Current Law:

Maryland Age-appropriate Design Code Act

Chapters 460 and 461 of 2024 require businesses that provide an online product reasonably likely to be accessed by children to complete a data protection impact assessment of the online product. The Acts also establish numerous rules, procedures, and prohibitions related to the assessments. The impact assessment must meet certain requirements, such as identifying the purpose of the online product, identifying how the online product uses children's data, and determining whether the product is designed in a manner consistent with the best interests of children reasonably likely to access the product through consideration of certain factors.

The Acts also establish prohibitions that apply to businesses that provide such online products. For example, a business may not (1) process the personal data of a child in a way that is inconsistent with the best interests of children reasonably likely to access the online product; (2) profile a child by default, with limited exceptions; or (3) process personal data of a child that is not reasonably necessary to provide an online product with which the child is actively and knowingly engaged.

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.

State Fiscal Effect: The Office of the Comptroller advises that it must procure a vendor to create the required registration system and update its website at an estimated cost of between \$750,000 and \$1.2 million in fiscal 2027. Without actual experience under the bill, the Department of Legislative Services (DLS) cannot independently verify the estimate provided by the Office of the Comptroller; however, significant funding is likely needed for the Office of the Comptroller to meet the bill's requirements. Therefore, general fund expenditures increase by *at least* \$750,000 in fiscal 2027 only for the Office of the Comptroller to procure the necessary system and update its website. For the purposes of this analysis, it is assumed that existing staff can implement the registration system and maintain the system in future years.

General fund revenue increases to the extent the Office of the Comptroller collects registration fees from data brokers. However, an estimate of those revenues is not feasible as any amount depends on the fee established by the Office of the Comptroller, as required under the bill, and how many data brokers ultimately register. Nevertheless, in the absence of a special fund to receive fee revenues, this analysis assumes that fee revenue approximates the cost of administering the registration system and accrues to the general fund.

DLS notes that if fee revenues approximate the cost of administering the program, there should not be any material excess revenues that can be redistributed to OAG. Moreover, as the fees and penalties accrue to the general fund, they cannot be assigned to any specific purpose except through the annual operating budget. Finally, as the program does not require any additional expenditures beyond fiscal 2027, it is unclear whether registration fees are needed in the out years.

OAG advises it can investigate data brokers that fail to register with existing resources.

Small Business Effect: Any small business that engages in data brokerage services and is subject to the bill must comply with the bill's requirements, pay a registration fee, and be subject to additional oversight by the Office of the Comptroller.

Additional Comments: DLS advises that the bill requires data brokers to register with the Comptroller. However, the bill also requires OAG to investigate data brokers that fail to register with it (rather than the Comptroller).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed. For example, see SB 904 and HB 1089 of 2025.

Designated Cross File: HB 1220 (Delegate Solomon) - Economic Matters.

Information Source(s): Office of the Attorney General; Comptroller's Office; Department of Legislative Services

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