

Department of Legislative Services  
 Maryland General Assembly  
 2026 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 1089 (Delegates Wu and Fair)  
 Economic Matters

Consumer Protection - Data Broker Registry - Establishment

This bill requires “data brokers” to register with the Office of the Attorney General (OAG). By January 31 each year (beginning January 31, 2028), a data broker operating in the State or collecting data on the residents of the State must register with OAG by (1) submitting specified information (*e.g.*, categories of personal data collected, sources of personal data collected, etc.) on a form and in a format established by OAG and (2) paying a fee in an amount determined by OAG. The bill is intended to provide basic oversight of data broker activity by the State without restricting lawful commerce; the bill also establishes several findings of the General Assembly related to the data broker industry. The bill may not be construed to create or imply a private cause of action for a violation of its provisions. OAG must adopt regulations to carry out the bill. By December 31, 2029, OAG must report specified information related to implementation of the bill to the General Assembly.

Fiscal Summary

**State Effect:** General fund expenditures increase by approximately \$333,000 in FY 2027 for staff; future years reflect annualization, inflation, and ongoing operating costs. General fund revenues increase, likely not until FY 2028, and by a potentially commensurate amount from registration fees, as discussed below.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	\$0	-	-	-	-
GF Expenditure	\$333,000	\$386,700	\$402,800	\$419,100	\$435,600
Net Effect	(\$333,000)	(-)/-	(-)/-	(-)/-	(-)/-

*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:** A “data broker” means a business entity that knowingly collects and sells or licenses personal consumer data to third parties with whom the consumer does not have a direct relationship, except for specified entities.

OAG must establish the fee (1) in an amount sufficient to pay the costs of administering the registration program and (2) as a tiered fee structure based on the annual revenue of a data broker. A data broker must report to OAG any material change in the business practice of the data broker during a registration period; OAG may not charge a fee for reporting a material change.

OAG must develop and maintain a publicly accessible, searchable database of registered data brokers on its website. The database must contain information submitted to OAG under the requirements noted above. However, the database may not disclose any proprietary algorithm or trade secret of a data broker.

A data broker that fails to register with and disclose required information to OAG is subject to a civil fine of up to \$10,000 per violation. For a first violation, OAG must issue notice of the violation to the data broker before initiating any action; if such a notice is issued, the data broker must have six months to cure the violation after receipt of the notice. If a data broker fails to cure the violation, OAG may bring an enforcement action under the bill.

By December 31, 2029, OAG must report on (1) the number of registered data brokers in the State; (2) the level of compliance rates; (3) the number of consumer complaints regarding data brokers; and (4) recommendations by OAG for future legislation to strengthen consumer protection in the State relating to data brokers.

**Current Law:** 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:** OAG advises that additional staff are necessary to implement the registry. Therefore, general fund expenditures increase by \$332,989 in fiscal 2027, which accounts for the bill’s October 1, 2026 effective date. This estimate reflects the cost of hiring one assistant Attorney General and two administrators to manage the new registry program and enforce the bill’s provisions. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including approximately \$40,000 in contractual services for the registry. Although data brokers have until January 31, 2028, to register, this analysis assumes staff are needed well in advance to assist in the development of the database, promulgate required regulations, and preliminarily assess the potential number of data brokers that will be required to register in order to determine an appropriate fee structure.

Positions	3.0
Salaries and Fringe Benefits	\$265,567
Contractual Services	40,000
Other Operating Expenses	<u>27,422</u>
<b>Total FY 2027 State Expenditures</b>	<b>\$332,989</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

General fund revenue increases to the extent OAG collects registration fees from data brokers. However, an estimate of those revenues is not feasible as any amount depends on the fee established by OAG, 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. As the fees and penalties accrue to the general fund, they cannot be assigned to any specific purpose except through the annual operating budget. Although revenues could increase as early as fiscal 2027, this estimate assumes data brokers begin paying the fee in fiscal 2028 (as the bill requires registration by January 31, 2028).

**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 OAG.

## **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); Department of Legislative Services

**Fiscal Note History:** First Reader - March 6, 2026  
caw/jkb

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