



LEGISLATIVE POSITION

Unfavorable

House Bill 784

Maryland Online Consumer Protection Act

House Economic Matters Committee

Monday, March 9, 2020

Dear Chairman Davis and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families. Through our work, we seek to maintain a balance in the relationship between employers and employees within the state through the establishment of policies that promote fairness and ease restrictive burdens.

House Bill 784 creates numerous personal information privacy rights for consumers in the state. Specifically, the bill gives consumers the right to (1) know whether (and what) personal information is collected or disclosed by a business; (2) access (and obtain a copy of) personal information collected by a business; (3) have personal information deleted by a business; (4) stop a business from disclosing information to third parties; and (5) equal service and pricing, regardless of whether the consumer has exercised his or her rights under the bill.

State law does not generally regulate Internet privacy. However, businesses are required under the Maryland Personal Information Protection Act to take precautions to secure the personal information of customers and to provide notice of information of breaches.

HB 784 establishes numerous requirements for businesses that handle the personal information of consumers, and our member businesses are concerned with the significant costs they will incur as a result of the additional burdens of compliance outlined in this legislation.

This legislation, as introduced, will have a significant negative impact on Maryland's business community. Specifically, the bill establishes a maximum civil penalty of \$2,500 on a per-violation basis. In the event of theft or unlawful access, even a small to medium-sized business could become exposed to fines in the hundreds of millions.

We understand that the sponsor of this legislation intends to study the issues surrounding online consumer protection, a position which we are favorable of. We hope that the bill sponsor works

alongside industry partners to identify consensus legislation. However, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on House Bill 784, as introduced.