



MARYLAND TECH COUNCIL

TO: The Honorable Melony Griffith, Chair
Members, Senate Finance Committee
The Honorable Brian J. Feldman

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Andrew G. Vetter
Christine K. Krone
410-244-7000

DATE: February 8, 2023

RE: **OPPOSE** – Senate Bill 169 – *Commercial Law – Consumer Protection – Biometric Data Privacy*

The Maryland Tech Council (MTC) writes in **opposition** to *Senate Bill 169: Commercial Law – Consumer Protection – Biometric Data Privacy*. We are a community of over 700 Maryland member companies that span the full range of the technology sector. Our vision is to propel Maryland to become the number one innovation economy for life sciences and technology in the nation. We bring our members together and build Maryland's innovation economy through advocacy, networking, and education.

Consumer privacy is of the utmost importance to members of the MTC. Senate Bill 169, however, as drafted, poses some significant challenges for Maryland employers and could jeopardize some important advances in safety and security, as well as contribute to a perception that Maryland is not receptive to innovation. Biometric data has become an essential tool for many industries and is used for security, authentication, and fraud prevention purposes, such as to secure access to highly sensitive buildings, to detect fraudulent callers, and to improve security on financial accounts. These technologies are good for the safety and convenience of Maryland residents. Rather than taking this restrictive approach, we believe that strong privacy laws can be paired with policies that allow industries to continue to innovate.

In addition, we are concerned about the private right of action provided for in this legislation. The ability to file individual legal actions under this law risks significant and ongoing burdens and costs for technology companies. The threat of liability will prevent Maryland companies from developing or utilizing pro-consumer, pro-privacy uses of biometric data like building security, user authentication, and fraud prevention and may dissuade startups and other companies from choosing to do business in the state. Experience with an existing Illinois law upon which these provisions seem to be based bears this out.

We also believe issues of data privacy are better addressed at the federal level. Many technology companies reach into numerous states, and it can be a significant practical challenge to comply with a patchwork of state policies. These inconsistencies and resulting confusion could deter innovative companies and start-ups from wanting to do business here.

MTC believes there are alternative approaches to ensuring the privacy of residents and creating transparency around data collection and use of biometric data. We would be pleased to engage in discussions about such solutions. In summary, this bill could impose millions of dollars of compliance costs on tech businesses and would harm the State's economy more than it would protect consumer privacy. MTC respectfully requests an unfavorable report.