



SB541 Maryland Online Data Privacy Act of 2024

Position: Favorable

3/26/2024

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

As an organization with a long history of advocating for consumer protection, I am writing today to urge your favorable report on SB541, the Maryland Online Data Privacy Act of 2024. This bill would limit the consumer data that companies collect online to only what is necessary for business operations.

Every day, companies are collecting and selling consumer data for an enormous profit, while many consumers remain unaware that their personal information is being traded and sold. In 2019, an estimated \$33 billion of revenue was collected from data sales alone just in the United States.¹ The unclear relationship between data collection and company profit has led to a significant amount of distrust from consumers. According to our published [report on digital equity](#), reluctance to use and distrust of the internet is one of the most significant factors challenging digital equity in Maryland. Reforms that seek to mitigate distrust from users is key to closing digital equity gaps.

The harmful effects of nonconsensual data collection can manifest in a myriad of ways. For example, tenant screening agencies scrape the internet for information on previous evictions and court cases and then sell their services to landlords so they can make “more informed decisions” on approving housing applicants without that prospective tenant even knowing the landlord had access to that data.² Data collection is also increasingly being utilized in the job market, where hiring agencies use data to determine characteristics of the “ideal applicant³.” This can create the major risk of discrimination against vulnerable populations, and prevent skilled applicants from finding employment.

This bill empowers consumers by providing them with new rights, including the ability to view, correct, delete, and opt out of data collection. Allowing consumers to choose what data is collected is beneficial in

¹ https://econaction.org/wp-content/uploads/2023/11/rhinesmith_2023_digital_equity_justice_maryland.pdf

² *ibid.*

³ *ibid.*



many contexts, from This increased control over their personal information gives consumers a say in how their data is used, promoting digital equity.

Additionally, requiring large companies to limit the collection of consumer data to what is necessary for legitimate business needs promotes data minimization practices. This helps prevent the unnecessary collection of sensitive information, reducing the potential for misuse or data breaches, further protecting consumers from harm.⁴

Maryland lacks a comprehensive data privacy law and this bill seeks to close this regulatory gap by introducing measures that address the challenges posed by rapid technological advancements, demonstrating a commitment to keeping consumer protections up to date and responding to emerging technologies. Our state has a long history of standing up for consumers, and we should continue to lead the nation in innovative policy that puts consumer protection and privacy at the forefront.

For these reasons we urge a favorable report on SB541.

Sincerely,
Zoe Gallagher, Policy Associate

⁴<https://www.forbes.com/sites/bernardmarr/2016/03/16/why-data-minimization-is-an-important-concept-in-the-age-of-big-data/?sh=1fffbab51da4>