



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Finance Committee

FROM: NFIB – Maryland

DATE: February 14, 2024

RE: **OPPOSE SENATE BILL 541** – Maryland Online Data Privacy Act of 2024

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America’s small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland’s small businesses, NFIB opposes Senate Bill 541 as currently drafted – legislation setting up a regulatory framework for controlling and processing personal data.

NFIB is thankful to the sponsors for removing the private right of action provision in the bill and recommends the legislature maintain it if it moves forward with the bill. Small business owners should not be held liable for damages if a company a small business utilizes to process personal data fails to comply with established data privacy regulations.

In its current form, SB541 does not contain a right to cure provision. NFIB supports adding this. This law and subsequent regulations will no doubt be lengthy and detailed. Small businesses deserve the chance to address data breaches before the Attorney General begins a proceeding.

Finally, SB541 will subject a small business owner to the requirements of the bill if it has 35,000 total consumers or 10,000 consumers and derives 20% of its gross revenue from the sale of personal data. These are the same thresholds as Delaware’s data privacy law. For perspective, Maryland’s population is more than six times that of Delaware. Virginia, for example, has thresholds of 100,000 total consumers *or* 25,000 consumers if the business derives 50% of its gross revenue from the sale of personal data.

For these reasons, **NFIB opposes SB541** as introduced and requests an unfavorable report.