



MARYLAND TECH COUNCIL

TO: The Honorable Pamela Beidle, Chair
Members, Senate Finance Committee
The Honorable Dawn Gile

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RE: **OPPOSE UNLESS AMENDED** – Senate Bill 541 – *Maryland Online Data Privacy Act of 2024*

The Maryland Tech Council (MTC) writes in **opposition unless amended** to *Senate Bill 541: Maryland Online Data Privacy Act of 2024*. We are a community of nearly 800 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, so we are supportive of the concept of protecting the private data of Maryland residents. We appreciate the efforts of the bill sponsors to model this bill on laws in other states and the attempt to craft a law that works for Maryland consumers and businesses. The most important issue for the MTC is to have a data privacy law where full compliance is not overly burdensome. In many respects, this bill is based on laws that have been passed in other states such as Connecticut, Delaware, Colorado, Virginia, and others. In fact, there have been 13 states to date that have passed “comprehensive” data privacy laws, such as the one proposed here. In that spirit, the MTC has remaining concerns about portions of the bill that make compliance more difficult or impractical.

First, the MTC encourages the committee to align defined terms and data processing provisions as closely as possible to those in already-enacted laws in other states. There are MTC member companies doing business in other states and have already adapted their business practices in those states to align with these definitions and provisions. Having different rules and misaligned definitions of the same terms from state to state makes compliance impractical. We are aware that trade groups like TechNet and SPSC have been working with the bill sponsors to highlight these differences. The MTC is strongly in support of aligning these definitions and provisions to consensus language in other states.

Second, the MTC strongly advocates for the inclusion of a right to cure provision in the bill. By nature, a comprehensive online data privacy bill is lengthy and complicated. Businesses, especially smaller businesses, will be challenged in digesting these complex new requirements and bringing their business processes and systems into compliance. Our members appreciate the need for a comprehensive

data privacy bill and want to be in compliance. Businesses should be given the opportunity under the bill to correct minor compliance issues or mistakes before they are subject to enforcement actions. An opportunity to correct errors, even for some reasonable period of time, is merited in this circumstance, given the complex nature of the bill and the extent of new requirements.

Third, and also in the vein of compliance, the MTC recommends pushing back the effective date of the bill. The proposed effective date in the bill is October 1, 2024. That leaves businesses only 6 months from the end of Session until the effective date to get into compliance with this new law. Again, the requirements contained within this bill are lengthy and complex. Many of the Maryland-based companies impacted by this bill are small and do not have compliance teams or in-house attorneys to quickly operationalize these new requirements. These companies should be given more time to make the changes necessary to comply with this law by pushing back the effective date.

In conclusion, the MTC's concerns with this legislation can be summarized into two main areas: consistency and compliance. We urge the committee to make this bill as consistent as possible with comprehensive data privacy laws already passed in other states. We also request that the committee amend the bill to make it more feasible for companies to comply, specifically by looking at provisions, such as a right to cure and a different effective date.

The MTC recommends an unfavorable report unless amended consistent with this testimony. Thank you for the consideration.