

TESTIMONY PRESENTED TO THE
SENATE FINANCE COMMITTEE

SB 541(MARYLAND ONLINE DATA PRIVACY ACT OF 2024)

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STAFF, MARYLAND CYBERSECURITY COUNCIL

POSITION: SUPPORT

February 14, 2024

Madam Chair, Vice Chair, and members of the committee, thank you for the opportunity to testify. I am Dr. Greg von Lehmen, staff to the Maryland Cybersecurity Council, a statutory body chaired by Attorney General Brown. I am here to support SB 541 as consistent with Council recommendations.

I urge favorable consideration for three reasons.

The bill provides much needed risk-management tools for consumers. When it comes to their sensitive data, consumers are very vulnerable. As this committee knows, data about every aspect of our lives is collected at scale, attached to our personal identities, bought, sold, and diffused across many companies. Much of this activity is without our informed consent or knowledge. A report published by the Maryland Attorney General’s Office indicates that in FY 2022 alone there were almost a million reported Maryland residents whose personal identifying data was impacted by more than 1,300 breaches.¹ The consumer rights in this bill to know, to delete, to opt-out of the sale of personal data are tools that can enable consumers to shrink this exposure. We are talking about the prospect of less ID theft, fewer financial account takeovers, reduced extortion, and on and on.

Second, this bill benefits from national experience. There are now 13 states that have comprehensive consumer privacy rights legislation.² This is a bipartisan effort.

¹ Office of the Attorney General Identity Theft Program. (2023). *Data Breaches FY 2022 Snapshot*. <https://www.umgc.edu/content/dam/umgc/documents/md-cybersecurity-council/data-breaches-fy-2020-snapshot-pdf.pdf> Note: The number of affected residents stated may overstate the number of unique residents impacted. This is because breaches are reported independently by each entity, making it possible that some residents were affected by more than one breach. This is particularly true when viewed longitudinally. The cumulative number of separately reported Maryland residents affected for the four snapshot reports to date comes to more than 6.2 million. The four reports are for 2016, 2018, 2020, and 2022.

² *US State Privacy Legislation Tracker*. (2024, February 2). IAPP. <https://iapp.org/resources/article/us-state-privacy-legislation-tracker/>

California was the first. But in the mix is Texas, Tennessee, Virginia, Delaware, and a number of other red and blue states. There is some variation among their statutes reflecting different equilibria of interests. An example is whether to include the right of private action. But at their core, these statutes are very similar. Senate Bill 541 is informed by this experience. It is a good bill for Maryland.

Finally, the question is: if not now, when? The 13 states that I mentioned represent 35% of the American population. In my count, this is the fourth session of the General Assembly that a comprehensive consumer privacy bill has been proposed.³ Given the risks, Maryland residents deserve to be allowed a greater role in controlling their exposure to breaches and the consequences. Senate Bill 541 would do this. The time is now.

I urge favorable consideration of the bill.

Thank you.

³ The others are HB 807/SB 698 (2023), SB 11 (2022), and SB 930 (2021).