

TO: The Honorable Guy Guzzone, Chair
Budget and Taxation

SB904
**Favorable with
Amendments**

FROM: Brandon Floyd
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DATE: March 5, 2025

RE: SB904 Data Brokers - Registry and Gross Income Tax (Building Information Guardrails Data Act of 2025)

Johns Hopkins supports with amendments **SB904 Data Brokers - Registry and Gross Income Tax (Building Information Guardrails Data Act of 2025)**. This bill mandates the creation of a data broker registry, requiring data brokers to register annually with the Comptroller and imposes a 6% tax on their gross income. The bill defines “data broker” as any business entity that engages in data brokering and also defines “data brokering” as the act of collecting, aggregating, analyzing, buying, selling, and sharing brokered personal data.

Johns Hopkins is a world-renowned research institution known for its innovative faculty, collaborative culture, and groundbreaking research. Research conducted at Hopkins’ facilities can be credited with discoveries ranging from water purification, genetic engineering, healthy dietary and nutritional substitutes, and mechanical engineering advancements, among others. Notably, Johns Hopkins Data Science Lab conducts research in machine learning, statistics, and artificial intelligence—which, most recently, was awarded for innovative developments in cancer research. This research, and data subsequently developed from research, has been used to improve health, wellness, access, and living conditions across the world. Johns Hopkins continue to shape the future through data.

In general, we support the bill sponsor’s efforts to increase transparency about data brokers for consumers. We also support opportunities to fund the new Privacy Protection and Enforcement Unit; however, we are concerned that the tax and registration requirements will apply to entities, like research institutions, who are not engaged in traditional data brokering and are not profiting off of those activities. For example, the Johns Hopkins Research Data Repository provides free data archiving, curation services, as well as access management on archived data. The repository is designed to grant free access to both private and public entities interested in using catalogued data for future research. Pursuant to the bill, Hopkins would be subject to a 6% gross income tax for “brokering” data while offering free access to data.

To that end, we believe the definition of data brokering is too broad and would negatively impact data licensing at our institution. Hopkins research centers would need to register as a data broker, pay additional fees, and be subject to other onerous requirements which are unduly burdensome from an entity not profiting from data activity.

We are concerned that the definition of data brokering, data broker, and personal data, as written, lacks clarity and have attached amendments for this committee’s consideration.

Accordingly, Johns Hopkins respectfully requests a **FAVORABLE WITH AMENDMENTS** committee report on **SB 904**.

We propose the following amendments, in line with the above:

SB 904 Proposed Amendments

7.3—101.

1. (G) “DATA BROKERING” MEANS THE ACT OF COLLECTING, AGGREGATING, ANALYZING, ~~BUYING~~, SELLING, AND SHARING BROKERED PERSONAL DATA ~~FOR A PROFIT~~.
2. (G) “DATA BROKERING” MEANS THE ACT OF ~~COLLECTING, AGGREGATING, ANALYZING, BUYING~~, SELLING, AND SHARING BROKERED PERSONAL DATA.
3. (F) (1) “DATA BROKER” MEANS ANY BUSINESS ENTITY THAT ENGAGES IN DATA BROKERING ~~OF AT LEAST 10,000 MARYLAND CONSUMERS AND DERIVE OVER 20 PERCENT OF GROSS REVENUE FROM THE SALE OF PERSONAL DATA~~.

7.3—101.

(F) (2) “DATA BROKER” DOES NOT INCLUDE:

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- (iii) AN INSTITUTION OF HIGHER EDUCATION; OR
- (iv) A NONPROFIT CORPORATION

7.3—101.

(J) (2) “PERSONAL DATA” DOES NOT INCLUDE DE-IDENTIFIED DATA ~~OR~~, PUBLICLY AVAILABLE INFORMATION, ~~OR ANY OTHER INFORMATION AND DATA EXEMPT FROM BEING SUBJECT TO COMMERCIAL LAW TITLE 14, SUBTITLE 46 (ONLINE DATA PRIVACY ACT)~~.