

Letter of Support

House Bill 1431 – State and Local Agencies – Enforcement of Federal Immigration Law – Restrictions on Access to Information (Maryland Data Privacy Act)

House Judiciary Committee

February 27, 2025

At the Office of the Comptroller, we work to ensure that every Maryland resident who owes taxes, pays them – and only pays what they owe. When everyone chips in, then we have the resources we need to ensure we can build and maintain schools, roads, health services, infrastructure and more. Therefore, we aim to optimize our processes so that when Marylanders complete an employer withholding form or submit their tax returns, they feel secure that their sensitive information will not be used for non-tax purposes without their consent. This security is also true for some members of Maryland's immigrant community, who may carry additional fear that any sensitive information they share with the state could in turn be shared with the federal government for the purposes of immigration enforcement.

As a part of our State of the Economy series of reports that analyze different aspects of Maryland's economy, last year we published a report that took a look at the role immigration has on our state's economy. It looked at how internationally-born Marylanders contribute to our economy, both as labor force participants and as an important source of spending.¹ Based on these findings, one thing is overwhelmingly clear: **Maryland cannot afford to lose its immigrant community.** If immigrants are unwilling to share sensitive information with state and local agencies, it will have deleterious consequences on our tax collection abilities.

What this bill does: HB1431, the Maryland Data Privacy Act, builds off of legislation I worked on in 2021, the Maryland Driver Privacy Act. HB1431 restricts the sharing of sensitive information by state agencies for the purposes of federal immigration enforcement without a valid warrant. The Act also restricts law enforcement agents and units of state and local government from entering into an information-sharing memorandum of understanding for the purpose of enforcing federal immigration law.

Why this bill is important: In 2021, we passed the Maryland Driver Privacy Act, which protects MVA information from being accessed by the federal government for certain immigration enforcement matters. The General Assembly passed this legislation to ensure safer roads for all drivers. One way to accomplish this mission was to ensure that every driver – even those individuals without legal status – is able to obtain a license. HB1431 is a very similar bill that expands these protections to other agencies.

¹ Comptroller of Maryland. (2024 April). "State of the Economy Series: Immigration and the Economy." <https://www.marylandtaxes.gov/reports/static-files/research/immigration-economy.pdf>



There are two key reasons that this agency supports this legislation: to help ensure compliance with state tax laws and to provide uniform guidance for all sensitive data across state agencies.

Ensuring compliance. The Office of the Comptroller of Maryland, as part of our revenue administration duties, is tasked with managing sensitive information for millions of taxpayers. To keep this information safe, we have robust measures in place, including strict data-sharing requirements with third parties and other governmental agencies. Ensuring that most taxpayer information is used solely for tax purposes helps to maintain the integrity of our tax system.

Immigrants make up a significant portion of our state tax revenue. In 2022, they paid more than **\$5.3 billion** in state and local taxes in Maryland. Furthermore, Maryland has one of the nation's highest shares of immigrant participation in the civilian labor force at over 21% despite immigrants making up only 17% of our population. These labor and taxpaying contributions are essential to Maryland's economic stability.

If Maryland's immigrant community cannot feel safe filing their taxes or filling out an employer withholding form for fear that the information will be used against them and their families in immigration enforcement actions, it could lead to depressed tax filings and labor force participation. HB1431 helps to alleviate these fears by making it clear that units of state government will not share sensitive information with federal immigration authorities without a warrant.

Uniform State Agency Policies. As a state agency with 1,200 employees, HB1431 provides much-needed guidance regarding how the Office of the Comptroller should respond to immigration enforcement requests from the federal government. We want to have uniformity across state government in how agencies comply with these types of requests, so that the secretary of one agency is responding in the same way as another. Putting this into state statute ensures that we have this uniformity.

Maryland's economy cannot afford to lose the important contributions made by its international community. As we face down historic budget deficits, it is more important than ever that we build up and protect these communities. Therefore, **I urge a favorable report on HB1431.** I thank Delegate Charkoudian for her vital work in keeping Maryland's immigrant communities safe.

If you have any questions, please do not hesitate to reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

A handwritten signature in black ink, appearing to read "Brooke E. Lierman".

Brooke E. Lierman
Comptroller of Maryland