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Education, Energy, and
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Chair, Joint Committee on
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB 616 - Business Regulation - Data Broker Registry

February 24, 2026

Chair Beidle, Vice-Chair Hayes, and Members of the Finance Committee,

Thank you for your consideration of Senate Bill 616, which would establish a self-funded Data Broker Registry in the Comptroller's Office, requiring data brokers operating in Maryland to register annually and increasing transparency around the collection, sale, and licensing of residents' data. Senate President Ferguson is a cosponsor on this important bill.

Data brokers are companies that collect vast amounts of personal information about individuals – including contact details, current and former addresses, health history, and even Social Security numbers.¹ They take this information and compile it into detailed profiles to sell to third-party organizations for purposes such as targeted advertising. In most cases, individuals are not told that this data is being collected, who is collecting it, or how it is being used.

This Committee has already taken powerful action to protect Marylanders' sensitive data, particularly the 2024 passage of the Online Data Privacy Act, which established critical guardrails for how corporations may collect and use personal data. SB 616 builds upon this strong foundation by easing implementation of both existing and future regulations. Maryland currently lacks a clear system to identify which entities are brokering and profiting from residents' data, which limits accountability and creates an obstacle in the State's ability to levy taxes or fees. Further, the ODPa covers direct consumer data collection, but not downstream uses of that data.

SB 616 addresses this gap through the creation of a self-funded Data Broker Registry. Under this bill, brokers would be required to register annually with the Comptroller, and to disclose whether they collect especially sensitive information such as health or precise location data. Brokers would also be required to report whether consumers have the option to opt out of some or all data collection, and the process for doing so if one exists. The registration expense would be covered

¹ <https://www.mcafee.com/blogs/tips-tricks/what-is-a-data-broker/>

by registration fees assessed by the Comptroller, ensuring that the program does not unduly burden taxpayers or the State budget.

This approach is not without precedent: Vermont, California, Oregon, and Texas have successfully implemented data broker registration programs, and several more states have programs in the works. Like SB 616, these bills all define ‘personal information’ and ‘data brokering’ and require that brokers register annually with the state, disclose the types of data they collect, and pay a fee.

This Committee has already demonstrated leadership in protecting Marylanders’ data privacy and ensuring that the State has appropriate oversight of how personal information is being used by brokers. Establishing a data broker registry eases the process of implementing these existing privacy protections, ensures that brokers remain accountable to the State, and can eventually be used as a funding mechanism for enforcement. This registry is an important measure in effectively regulating a powerful and growing industry, and sets the stage for Maryland to implement further guardrails in the future as needed. Whether this means levying an appropriate tax on these brokers, or restricting their ability to profile Marylanders using Artificial Intelligence, the data broker registry is a necessary first step.

Last year, a version of this bill was heard in the Senate Budget and Taxation Committee because it included both a data broker registry and a tax to fund enforcement within the Attorney General’s Office. After thoughtful consideration, we decided to take a more measured, phased approach. This year, the bill focuses on the logical first step: identifying and registering data brokers operating in Maryland. You cannot effectively regulate what you cannot see, and establishing transparency is foundational to any enforcement framework.

In a future phase, if we determine that dedicated enforcement funding is necessary, the General Assembly could consider incorporating that support through an adjusted registration fee or a separate funding mechanism, including a potential tax.

SB 616 is an opportunity to build on previous legislation and do the right thing for Marylanders, ensuring Marylanders receive the transparency, accountability, and privacy they deserve. If you are concerned about the data privacy of your constituents, I ask that you consider voting for this next modest step of regulation. If Texas can do this, Maryland can as well. I respectfully request a favorable report on SB 616.

Sincerely,

A handwritten signature in cursive script that reads "Katie Fry Hester".

Senator Katie Fry Hester
Howard and Montgomery Counties