February 20, 2026

Senator Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Senator Antonio Hayes
Vice Chair, Senate Finance Committee
223 James Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Senator Katie Fry Hester
304 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

RE: Letter in Opposition to Maryland SB 616

Dear Chair Beidle, Vice Chair Hayes, and Senator Fry Hester:

On behalf of the advertising industry, we write to oppose Maryland SB 616.[1] We provide this letter to offer our non-exhaustive list of concerns about this bill. SB 616 would create a new registry that would require registration by many companies not traditionally considered data brokers and would not clearly define what the associated fee would be for such companies. Accordingly, we ask you to decline to advance the bill as drafted out of the Senate Finance Committee ("Committee").

As the nation's leading advertising and marketing trade associations, we collectively represent thousands of companies across the country. These companies range from small businesses to household brands, advertising agencies, and technology providers. Our combined membership includes more than 2,000 companies that power the commercial Internet, which accounted for nearly 20 percent of total U.S. gross domestic product ("GDP") in 2024.[2] By one estimate, approximately 17% of Maryland jobs in 2024 were related to the ad-subsidized Internet, a share projected to increase to 18.5% by 2029.[3] Our group has more than a decade's worth of hands-on experience it can bring to bear on matters related to consumer privacy and controls. We would welcome the opportunity to engage with the Committee further on the points we discuss in this letter.

[1] Maryland SB 616 (2026 Session), located here (hereinafter, "SB 616").
[2] S&P Global, THE ECONOMIC IMPACT OF ADVERTISING ON THE US ECONOMY, 2024-2029 at 4 (Aug. 2025), located at https://theadcoalition.com/wp-content/uploads/2025/08/TAC_SP-Global-Final-Report_August-2025.pdf.
[3] *Id.* at 15-16.

I. SB 616 Would Adopt an Overbroad Definition of Data Broker.

SB 616's proposed definition of "data broker" is materially broader than those adopted in other states. The bill would sweep in companies of all sizes that collect personal data to identify and reach potential new customers who have not previously interacted with them but may be interested in their products or services. Under the bill's current language, a "data broker" would be broadly defined as any business entity that engages in "data brokering," defined as the act of *collecting*, selling, or licensing "brokered personal data," including basic identifiers like names, addresses, and other personal data when such data are categorized or organized for sale or licensing to another entity.[4] While the bill includes a carve-out for data collected from direct customers ("a consumer with whom the business entity has a direct relationship" in the immediately preceding five years), the bill still would categorize any business that collects and maintains prospect lists or consumer information for outreach or analytics as "data brokers."[5] Given the bill's broad "data broker" definition, the proposed registry would amount to a list of any entity doing business in Maryland that wants to find or reach new customers.

Unlike Vermont, Texas, and California, where data broker laws apply to businesses that knowingly collect *and sell* personal data of consumers with whom they have no direct relationship, SB 616 would extend the definition to include any business, including small businesses that collect or organize consumer information for legitimate marketing purposes.[6] The broadly defined term may also expand the concept of "data broker" to include data processors, which would be a significant expansion of the common understanding and definition of the term. Processors typically act at the direction of controllers and do not independently determine how or why personal data is used. However, SB 616's broad definition risks capturing these processors, such as analytics vendors or advertising third-party partners, that work solely on behalf of other businesses and do not independently "sell" data for their own purposes.

The bill's "data broker" definition departs from the approach used in other states and would create uncertainty for a wide range of companies, particularly new businesses and start-ups that lack direct consumer relationships. This definition could inadvertently require these small and new businesses, who simply seek to reach prospects or measure consumer interest, to register as a data broker with the Comptroller, pay fees, and comply with reporting requirements. However, the breadth of the definition creates concerns in addition to the likely impact on small businesses. More established consumer goods companies, like poultry companies, spices companies, and baking goods companies who sell their products through retailers, as well as hospitality and travel services sold through agents, would be impacted by the overbroad sweep of the proposed law. These sectors, which are vital to the Maryland economy, could become

[4] SB 616 § 19-1001(E)-(F).
[5] SB 616 § 19-1001(F)(2).
[6] *Compare* Cal. Civ. Code § 1798.99.80(c), 9 V.S.A. § 2430(4), and Tex. Bus. & Com. Code § 510.001(4) *with* SB 616 § 19-1001(E).

subject to the requirements of SB 616, if enacted. The Committee should take steps to narrow the bill's "data broker" definition to focus on entities whose principal business is the commercial sale of consumer data to better align the bill with established data broker frameworks in other states.

II. SB 616's Data Broker Registry Registration Fee Is Unclear.

SB 616 would leave the registration fee entirely to the discretion of the Comptroller, with no statutory guidance or cap.[7] As drafted, the bill would authorize the Comptroller to determine the amount of the fee through regulation, rather than specifying the fee directly in the statute or establishing guardrails such as a maximum amount or tiered fee structure. Because the registration requirement is mandatory, the fee effectively functions as a condition of doing business, and these fundamental cost parameters should be set by the Maryland Legislature and not left to future administrative determination. SB 616's lack of clarity creates uncertainty for businesses attempting to assess compliance obligations. Moreover, depending on the ultimate amount established, and given the bill's broad proposed definition of "data broker," the fee could have a disparate impact on businesses of different sizes. Without statutory limits, the bill risks imposing significant costs on smaller entities that may lack the resources to absorb additional regulatory expenses. The Committee should consider clarifying the fee for registration in the statute, like other states have done with existing data broker registries.[8]

*　　*　　*

[7] SB 616 § 19-1003(A)(2).
[8] *See e.g.,* Tex. Bus. & Com. Code § 510.005(a).

We and our members strongly support meaningful privacy protections for consumers. We believe, however, that SB 616 will not further meaningful protections in Maryland. The bill would create a data broker registry so broadly construed that it would capture many businesses not traditionally understood to be data brokers, requiring them to register and comply with regulatory obligations that are not aligned with their core activities. As a result, companies that merely collect or organize consumer information for routine business purposes, rather than operating as commercial data resellers, could be swept into the registry. This expansive scope risks imposing unknown registration fees, compliance costs, and administrative burdens without delivering meaningful additional consumer protections or measurable economic benefits to Maryland residents. We therefore respectfully ask the Committee not to advance SB 616 as proposed.

Thank you in advance for your consideration of this letter.

Sincerely,

Christopher Oswald
EVP for Law, Ethics & Govt. Relations
Association of National Advertisers
202-296-1883

Alison Pepper
EVP, Government Relations & Sustainability
American Association of Advertising Agencies, 4As
202-355-4564

Clark Rector
Executive VP–Government Affairs
American Advertising Federation
202-898-0089

Lou Mastria
CEO
Digital Advertising Alliance
347-770-0322

CC: Members of the Maryland Senate Finance Committee

Mike Signorelli, Venable LLP
Allie Monticollo, Venable LLP
Matthew Stern, Venable LLP