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March 11, 2026

TO: The Honorable Jheanelle K. Wilkins, Chair
Ways and Means Committee

FROM: Hanna Abrams, Assistant Attorney General

RE: House Bill 1278 – Maryland Positive Youth Development Commission
and Fund – Establishment (SUPPORT WITH AMENDMENTS)

The Consumer Protection Division of the Office of the Attorney General supports House Bill 1278 (“HB 1278”), sponsored by Delegate Smith, with amendments. House Bill 1278 establishes a commission and fund that will direct money recovered from enforcement efforts against social media companies that harmed youth to the Maryland Positive Youth Development Commission and Fund to support grants that would support positive youth development programming in Maryland.

The Division, however, requests that the language on page 6, lines 23-26, be clarified to expressly state that the money available for the Fund does not include money collected for restitution or the costs of investigation and prosecution. Further, the Division asks that the source of the funds be clarified to ensure that the monies deposited in the fund only come from the judgments against or settlements with social media companies from matters where the allegations relate to harm to youth. As drafted, the fund could sweep in all monies received from social media companies found to have harmed youth whether or not the specific settlement or judgment related to the harms suffered by youth. Additionally, in conjunction with HB 1278, the General Assembly is considering a bill to establish an Office of the Attorney General Enforcement Recovery Fund (House Bill 705) to receive monies collected from the Office’s enforcement efforts. The Enforcement Recovery Fund is being established to support the activities of the office including enforcement, investigation costs, and public education efforts and will be statutorily capped at \$7.5 million. We ask that the Maryland Positive Youth Development Fund established by HB 1278 be supported by monies collected in accordance with the criteria set forth in the bill only after the Office has collected the statutory maximum

established by the Enforcement Recovery Fund and the costs of enforcement have been reimbursed.

To that end, the Division recommends that the following language replace page 6, lines 23-26:

After the Attorney General Enforcement Recovery Fund has been fully funded, all civil penalties, but not restitution or investigative costs, received by the State from any source resulting, directly or indirectly, from any judgment against, or settlement with social media companies relating to claims concerning harm to children from the social media companies

Furthermore, although HB 1278 provides that up to 10% of the funds could be used for administrative costs of the Office of the Attorney General's litigation against social media companies, this does not cover investigation costs and, depending on the size of the recoveries, may or may not cover the actual litigation costs. Accordingly, we recommend that lines 5-7 on page 7 be replaced with the following:

The Fund may be used to provide funds for operating expenses and personnel costs for investigations, enforcement actions, and other activities that are related to the recovery of funds from privacy-related judgments or settlements.

We ask the Ways and Means Committee to issue a favorable report on HB 1278 with the amendments discussed.

Cc: Delegate Stephanie Smith
Members, Ways and Means Committee