

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 374

(Senator Astle, *et al.*)

Finance

Economic Matters

**Office of the Attorney General - Workgroup on Children's Online Privacy
Protection**

This bill requires the Office of the Attorney General (OAG) to convene and direct a workgroup to examine issues relating to the protection of children's privacy while using the Internet and mobile applications. OAG must invite representatives of relevant federal agencies to participate in the workgroup. OAG must report to the Senate Finance Committee and House Economic Matters Committee on the workgroup findings and any resulting recommendations by December 31, 2013.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: OAG can convene and direct the workgroup within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The issues examined by the workgroup must include:

- the nature and extent of data collected about children through Internet-based and mobile application-based advertising;

- current and forthcoming federal and state regulation of children’s online privacy and online advertising and associated data collection;
- the effects on children of online behavioral advertising, native advertising, social advertising, and other forms of online advertising;
- best practices used by the Internet industry and the mobile application industry to protect children’s online privacy; and
- the effectiveness of voluntary standards as they relate to children’s online privacy.

Current Law: The federal Children’s Online Privacy Protection Act promulgated by the Federal Trade Commission (FTC) imposes requirements on the operators of websites or online services directed to children younger than age 13, as well as operators that have actual knowledge that the operator is collecting personal information from children younger than age 13.

Operators must place a notice on the operator’s website containing the operator’s contact information, the type of information collected, and how the information will be used. Additionally, operators must obtain verifiable parental consent prior to collecting, using, or disclosing the personal information and make reasonable efforts to provide a specified notice to the parents.

Upon request of a parent whose child has provided personal information to a website or online service, the operator is required to provide to that parent the type of information collected, the opportunity to refuse the operator’s future use of that information and to instruct the operator to delete the information, and the ability to review the information collected. If the parent prohibits the operator from using the child’s personal information, the operator may refuse any future service to the child. However, an operator is prohibited from conditioning a child’s participation in a game, the offering of a prize, or another activity on the child’s disclosing more personal information than is reasonably necessary to participate in such activity.

FTC requires that the operator maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

Additional Information

Prior Introductions: None.

Cross File: HB 316 (Delegate Davis) - Economic Matters.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Federal Trade Commission, Department of Legislative Services

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