



MARYLAND TECH COUNCIL

TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Malcolm Augustine

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: January 27, 2021

RE: **OPPOSE** – Senate Bill 16 – *Commercial Law – Consumer Protection – Biometric Identifiers and Biometric Information Privacy*

The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **opposition** for Senate Bill 16.

MTC members place a high priority on consumer privacy, however, as drafted, the legislation would create significant hardships for Maryland employers and could actually result in stifling important advances in safety and security as well as exposing member businesses and customer data to greater degrees of fraud and cybercrime. For example, Senate Bill 16 has no exception for fraud prevention. Biometric data is used today for security, authentication, and fraud prevention purposes, such as to secure access to highly sensitive buildings, to detect fraudulent callers, and to improve security on financial accounts. Because the bill does not allow for the use of biometric data for fraud prevention, and does not even have a clear security exception, the bill would put Maryland residents at greater risk of fraud and security threats.

In addition, this legislation would leave Maryland businesses vulnerable to class action lawsuits for even minor violations. This is especially true as the bill also does not distinguish between service providers and consumer-facing entities and therefore every business is liable for failing to provide consumers with consent, even when consumers never interact directly with the product. The threat of liability will prevent Maryland companies from developing or utilizing pro-consumer, pro-privacy uses of biometric data like building security, user authentication, and fraud prevention and may dissuade startups and other companies from choosing to do business in the state. Experience with an existing Illinois law upon which these provisions seem to be based bears this out.

MTC recognizes the importance of protecting consumer information, including biometric identifiers and information, the matters that Senate Bill 16 addresses should and must be resolved on the federal level. Meaningful consistent compliance by industry would be more reliably satisfied with a uniform nationwide solution. This bill would have the effect of imposing millions of dollars of compliance costs on tech businesses and would harm the State's economy more than it would protect consumer privacy. MTC respectfully requests an unfavorable report.

For more information call:

Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
410-244-7000