



LEGISLATIVE POSITION:

Unfavorable

House bill 962

Commercial Law – Maryland Personal Information Protection Act – Revisions

House Economic Matters Committee

Friday, February 25, 2022

Dear Chairman Wilson and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

The purpose of the State's data breach law is to require that state residents be notified when there has been an unauthorized acquisition of certain types of unencrypted, computerized personal information (PI) that could lead to a risk of financial harm or identity theft. HB 962 seeks to change this law in a manner that causes concerns to the broader business community.

Some of the primary concerns with HB 962 include:

- There are several changes in the bill with respect to specified time periods for providing notices of a data breach. The bill cuts notification time in more than half and creates serious challenges for businesses that are dealing with other complications from the breach.
- The bill also removes language referencing investigations that are conducted when a breach is suspected. This means that notification must happen when a breach is suspected instead of determined. Investigations are vital to determining if a breach truly happened and what information was compromised. By removing the investigative requirement businesses risk causing widespread panic among the public when a breach may not have actually occurred.
- 14-3504(h)(2)(II) requires that a business provide precise information to the Attorney General as to how a breach occurred. HB 962 is different from previous version in that this information would not be required to become public, however, we remain concerned that this information could be accessed by bad actors providing a roadmap on how security systems were compromised.

The Maryland Chamber of Commerce greatly appreciates the work done on this legislation over the years by the sponsor. We remain committed to working alongside other stakeholders

impacted by the outcomes of HB 962 and the sponsor to find a solution that meets the intent of this legislation in an effective and sensible manner without undue burden.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **HB 962**.

