



February 26, 2025

The Honorable Jared Solomon
312 Low House Office Building
6 Bladen Street
Annapolis MD 21401

Re: Concerns about HB1089, Building Information Guardrails Data Act of 2025

Dear Delegate Solomon:

I am writing on behalf of the Software & Information Industry Association (SIIA) to express concerns with HB1089, Building Information Guardrails Data Act of 2025. SIIA is the principal trade association representing the software and digital content industries, including companies that are at the forefront of developing and deploying AI technologies. Our nearly 400 members range from global enterprises to startups, spanning across industries such as education technology, financial information, publishing, and software development. For decades, SIIA has served as a trusted voice for innovation policy, advocating for balanced approaches that protect consumers while fostering technological progress.

SIIA is concerned that HB1089 would have significant negative consequences for Maryland consumers and businesses due to the breadth of its definitions and the impact of the proposed tax

Firstly, SIIA has concerns with the broad definition of data broker, which is defined as “any business entity that engages in data brokering,” which means “the act of collecting, aggregating, analyzing, buying, selling, and sharing brokered personal data.” This is irrespective of the business entity’s relationships with the resident individual. This could unintentionally include companies that have a direct relationship with resident individuals and do not fit the definition of data brokering in any other state, including the data broker registry in California.

Secondly, even with a narrowly tailored definition of data broker, we remain concerned with this bill. HB1089 proposes to “tax” the activities of these broadly defined “data brokers” outside of Maryland. This implies that Maryland would be assessing a tax on economic activity occurring in other states and even other countries. Such a whole cloth departure from existing U.S. state tax law and norms is fundamentally unworkable. Even if such a tax could be implemented, it would incentivize commercial publishers to abandon the state and its consumers, many of which have come to rely on their services.

Furthermore, though not the intent, the effect of HB1089, by targeting the dissemination of information, will be to target speech that is protected under the First Amendment. The First Amendment concerns are similar to those raised by the recently passed [advertising tax](#). That Maryland tax is currently being litigated due to its targeting of protected speech. The same infirmity likely applies to the tax contemplated by HB1089. It is likely that if enacted HB1089 will be challenged on First Amendment grounds. This will complicate implementation.

We also have concerns about the taxing data, as HB1089 would do. A tax on data will lead to changes to the availability or the prices of the services that utilize data from the access of

records could create significant harm to the state's economy. This would be far more detrimental to small community-based publishers operating intrastate than the larger interstate data brokers.

Lastly, those that would be subject to the tax will see this, rightly, as a double tax. Businesses considered "data brokers" are already subject to an income tax in the state of Maryland. HB1089 would impose an additional tax burden, which will be more harmful to small and medium sized businesses.

I hope SIIA can be a resource to your office. SIIA would always appreciate the opportunity to connect with you or your office to provide meaningful feedback on your bills. Thank you for your consideration of our position.

Best Regards,

Abigail Wilson
State Policy Manager
SIIA

cc/Chair C.T. Wilson, Vice Chair Brian M. Crosby

