

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 757
 Finance

(Senator Rosapepe)

Consumer Protection - Disclosure of Tariffs and Local Sourcing

This bill requires the Department of Commerce (Commerce) to develop and maintain a searchable online database, to be known as the Maryland Local Sourcing Portal, to connect businesses in the State with local sources for tariff-impacted goods and other supplies. By December 31 each year, Commerce must report to the General Assembly on the use and effectiveness of the portal. Failure to disclose that the price of a consumer good includes a tariff imposed on the consumer good (or on components of the consumer good) and the amount of the tariff is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions. **The bill terminates September 30, 2031.**

Fiscal Summary

State Effect: General fund expenditures increase by \$142,900 in FY 2027 for staff and technology costs. Future years reflect annualization, inflation, and ongoing operating costs. The bill’s imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill’s requirements with existing resources.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	142,900	91,800	95,100	98,500	102,100
Net Effect	(\$142,900)	(\$91,800)	(\$95,100)	(\$98,500)	(\$102,100)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill’s imposition of existing penalty provisions does not have a material impact on local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The portal must be searchable by North American Industry Classification System codes. The portal must also comply with (1) State and federal accessibility standards for digital content and (2) the data minimization and security standards of the Maryland Online Data Privacy Act.

Participation in the portal by a local source must be voluntary. The portal must enable a local source to list (1) the categories of supplies or inventory held in the State and (2) a status indicator signifying that inventory is currently available for purchase. The portal is not required to display specific quantities or proprietary stock levels.

Commerce may coordinate with the State Department of Assessments and Taxation, the Comptroller's Office, and the Department of Information Technology to (1) identify potential local sources for inclusion in the portal and (2) leverage existing digital infrastructure to minimize the cost of developing and maintaining the portal.

The State, Commerce, and their employees must be held harmless for any claims, damages, or losses arising from (1) the accuracy or timeliness of data submitted by a voluntary participant or (2) any transaction or agreement entered into between private parties using the portal.

Current Law: An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind, which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

State Expenditures: General fund expenditures increase by \$142,936 in fiscal 2027, which accounts for the bill’s October 1, 2026 effective date.

Commerce has determined that one regular full-time position is needed to implement this bill. However, the Department of Legislative Services (DLS) advises that the added responsibilities incurred by this legislation are not permanent and, thus, may be performed by a contractual employee.

This estimate reflects the cost of hiring one data analyst to manage the new database. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The estimate includes \$75,000 in fiscal 2027 to develop the new system, with recurring information technology costs totaling approximately \$15,000 annually. Although the bill terminates three months into fiscal 2032, this analysis assumes the contractual position is likely no longer needed after fiscal 2031.

Contractual Position	1.0
Salary and Fringe Benefits	\$58,795
Operating Expenses	<u>84,141</u>
Total FY 2027 State Expenditures	\$142,936

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Small Business Effect: The bill subjects any entities that fail to make disclosures related to tariffs to MCPA’s civil and criminal penalty provisions. Although DLS generally assumes that small businesses can comply with the bill’s disclosure requirement, the bill does not specify the manner in which the disclosure must be provided. Therefore, depending on how the disclosure provision is enforced, there is likely at least some operational (and potential economic) impact on small businesses resulting from this provision.

To the extent small businesses are able to utilize the new portal to find alternative sources for tariff-impacted goods and other supplies, they may benefit from under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Commerce; Comptroller's Office; Department of Legislative Services

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