Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1034 (Delegate Young, *et al.*)

Health and Government Operations

Public Safety - Artificial Intelligence Impact Advisory Board - Establishment

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This bill establishes the Artificial Intelligence (A.I.) Impact Advisory Board to study A.I.-related issues in the State. The Department of Information Technology (DoIT) must staff the board and the board must meet at least four times annually. By December 31, 2024, and annually thereafter, the board must report its findings and recommendations to the Governor and the General Assembly. The report must also be made publicly available.

Fiscal Summary

State Effect: General fund expenditures increase by $112,500 in FY 2024 for additional staff for DoIT to staff the advisory board. Future years reflect annualization, the elimination of one-time costs, and ongoing operating expenses. Revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	$0	$0	$0	$0	$0
GF Expenditure	112,500	137,100	143,200	149,500	157,300
Net Effect	($112,500)	($137,100)	($143,200)	($149,500)	($157,300)

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

Local Effect: Local governments can participate with the board as necessary and appropriate using existing budgeted resources.

Small Business Effect: None.

Analysis

Bill Summary: A member of the board may not receive compensation for serving on the board but is entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget. The board must:

- study the impact of A.I. in the State in the health care, education, transportation, and criminal justice sectors;
- study the possible economic, social, and ethical implications of A.I.;
- consult with experts in A.I. and related technology fields and the members of the general public to gather various perspectives on A.I. and opinions about its adoption; and
- examine the effectiveness of current laws, regulations, and policies related to A.I. and recommend legislation.

Current Law: There are no State laws expressly regulating or governing the use of A.I. in the State. However, DoIT and the Secretary of Information Technology are responsible for annually evaluating the feasibility of units of State government providing public services using A. I., machine learning, commercial cloud computer services, device-as-a-service procurement models, and other emerging technologies.

At the federal level, A.I. is regulated by the National Artificial Intelligence Initiative Office (NAIIO) and a series of acts. NAIIO was created by the National Artificial Intelligence Act of 2020 to ensure continued U.S. leadership in A.I. research and development, lead the world in the development and use of trustworthy A.I. systems in public and private sectors; prepare the present and future U.S. workforce for the integration of A.I. systems across all sectors of the economy and society; and coordinate ongoing A.I. activities across all federal agencies.

State Expenditures: General fund expenditures for DoIT increase by $112,469 in fiscal 2024, which accounts for the bill's October 1, 2023 effective date. This estimate reflects the cost of hiring one permanent full-time program manager to staff the advisory board and conduct the research and analysis necessary for the board's activities. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary and Fringe Benefits	$105,060
Operating Expenses	7,409
Total FY 2024 State Expenditures	**$112,469**

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. Reimbursements for board members are assumed to be minimal and absorbable with existing budgetary resources.

Additional Information

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

Designated Cross File: None.

Information Source(s): Department of Information Technology; Department of Public Safety and Correctional Services; Maryland Association of Counties; National Artificial Intelligence Initiative Office; Department of Legislative Services

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