

SENATE BILL 818

S1, P2, K3

(4lr1621)

ENROLLED BILL

— *Education, Energy, and the Environment/Health and Government Operations* —

Introduced by **Senators Hester, Gile, Augustine, Elfreth, Ellis, Feldman, Ferguson, Jackson, Lam, Rosapepe, Smith, Waldstreicher, West, ~~and Zucker~~ Zucker, Brooks, Lewis Young, Simonaire, M. Washington, and Watson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Information Technology – Artificial Intelligence – Policies and Procedures**
3 **(Artificial Intelligence Governance Act of 2024)**

4 FOR the purpose of requiring each unit of State government to conduct a certain annual
5 data inventory, a certain ~~annual~~ inventory of systems that employ artificial
6 intelligence, and a certain impact assessment on or before a certain date; ~~requiring~~
7 prohibiting the Department of Information Technology from making certain
8 information publicly available under certain circumstances ~~to conduct ongoing~~
9 ~~monitoring of certain systems under certain circumstances~~; requiring the
10 Department of Information Technology, *in consultation with the Governor's Artificial*
11 *Intelligence Subcabinet of the Governor's Executive Council*, to adopt policies and
12 procedures concerning the development, procurement, ~~implementation~~ deployment,
13 use, and assessment of systems that employ artificial intelligence by units of State

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 government; prohibiting a unit of State government from ~~implementing~~ deploying or
 2 using a system that employs artificial intelligence under certain circumstances
 3 beginning on a certain date; requiring a unit of State government to conduct certain
 4 regular impact assessments under certain circumstances; exempting *the Office of the*
 5 *Attorney General, the Comptroller, the Treasurer, and certain public institutions of*
 6 *higher education from certain provisions;* establishing the ~~Governor's Artificial~~
 7 ~~Intelligence~~ Subcabinet of the ~~Governor's Executive Council~~; establishing
 8 competitive proof of concept procurement as a formal competitive procurement
 9 method for the procurement of certain products and services; ~~exempting certain~~
 10 ~~competitive proof of concept procurements from oversight by the Board of Public~~
 11 ~~Works~~; requiring the Department of General Services, in consultation with the
 12 Department of Information Technology, to develop certain policies and procedures
 13 for the development and implementation of competitive proof of concept
 14 procurements; requiring the Subcabinet to develop a certain roadmap; and generally
 15 relating to the use of artificial intelligence by units of State government.

16 BY repealing and reenacting, without amendments,
 17 Article – State Finance and Procurement
 18 Section 3.5–101(a), (c), (d), and (f)
 19 Annotated Code of Maryland
 20 (2021 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, with amendments,
 22 Article – State Finance and Procurement
 23 ~~Section 3.5–301, 3.5–303(a), and 12–101~~ Section 3.5–301 and 3.5–303(a)
 24 Annotated Code of Maryland
 25 (2021 Replacement Volume and 2023 Supplement)

26 BY adding to
 27 Article – State Finance and Procurement
 28 Section 3.5–318; 3.5–801 through ~~3.5–805~~ 3.5–806 to be under the new subtitle
 29 “Subtitle 8. Artificial Intelligence”; and 13–116
 30 Annotated Code of Maryland
 31 (2021 Replacement Volume and 2023 Supplement)

32 Preamble

33 WHEREAS, Artificial intelligence is transforming society and work, and the pace of
 34 that change will present new opportunities and risks for the State’s residents, workers, and
 35 economy; and

36 WHEREAS, The State must ensure the responsible, ethical, beneficial, and
 37 trustworthy use of artificial intelligence in State government; and

38 WHEREAS, The State is home to a rich and growing artificial intelligence ecosystem
 39 of academic, industry, government, and civil society experts, researchers, builders,
 40 organizers, and stakeholders; and

1 WHEREAS, To foster an environment for innovation while respecting individuals,
2 employees, and civil rights, as artificial intelligence technologies are developed and evolve,
3 the technologies should be analyzed and monitored by government officials, industry
4 experts, consumer protection advocates, and other stakeholders; and

5 WHEREAS, Given the rapid rate of change in artificial intelligence technologies and
6 industry, the State must chart a principled yet adaptable, pragmatic path forward, so that
7 the technologies' benefits can be confidently harnessed on behalf of Marylanders and in
8 service of the Governor's mission to Leave No One Behind; and

9 WHEREAS, Leaders across State government share a common interest in
10 establishing effective artificial intelligence governance and are committed to working
11 together to develop the legal and policy framework for its responsible use in the State; and

12 WHEREAS, Automated systems should be safe and effective, developed with
13 consultation from diverse communities, stakeholders, and domain experts to identify
14 concerns, risks, and potential impacts of the systems; and

15 WHEREAS, Designers, developers, and deployers of automated systems should take
16 proactive and continuous measures to protect individuals and communities from
17 algorithmic discrimination and to use and design systems in an equitable way; and

18 WHEREAS, Designers, developers, and deployers of automated systems should seek
19 permission and respect decisions regarding collection, use, access, transfer, and deletion of
20 data in appropriate ways and to the greatest extent possible; where not possible, alternative
21 privacy by design safeguards should be used; and

22 WHEREAS, Designers, developers, and deployers of automated systems should
23 provide generally accessible plain language documentation including clear descriptions of
24 the overall system functioning and the role automation plays, notice that such systems are
25 in use, the individual or organization responsible for the system, and explanations of
26 outcomes that are clear, timely, and accessible; and

27 WHEREAS, Designers, developers, and deployers of automated systems should
28 consider the specific types of actions for which a human alternative is appropriate,
29 commensurate with the magnitude of the action and risk of harm, along with the extent to
30 which a human alternative would be beneficial to individuals and the public interest; now,
31 therefore,

32 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
33 That the Laws of Maryland read as follows:

34 **Article – State Finance and Procurement**

35 3.5–101.

1 (a) In this title the following words have the meanings indicated.

2 (c) “Department” means the Department of Information Technology.

3 (d) “Secretary” means the Secretary of Information Technology.

4 (f) “Unit of State government” means an agency or unit of the Executive Branch
5 of State government.

6 3.5–301.

7 (a) In this subtitle the following words have the meanings indicated.

8 **(B) “ARTIFICIAL INTELLIGENCE” HAS THE MEANING STATED IN § 3.5–801**
9 **OF THIS TITLE.**

10 **[(b)] (C)** “Cybersecurity” means processes or capabilities wherein systems,
11 communications, and information are protected and defended against damage,
12 unauthorized use or modification, and exploitation.

13 **[(c)] (D)** “Cybersecurity strategy” means a vision, a plan of action, or guiding
14 principles.

15 **[(d)] (E)** (1) “Development” means all expenditures for a new information
16 technology system or an enhancement to an existing system including system:

17 (i) planning;

18 (ii) creation;

19 (iii) installation;

20 (iv) testing; and

21 (v) initial training.

22 (2) “Development” does not include:

23 (i) ongoing operating costs, software or hardware maintenance,
24 routine upgrades, or modifications that merely allow for a continuation of the existing level
25 of functionality; or

26 (ii) expenditures made after a new or enhanced system has been
27 legally accepted by the user and is being used for the business process for which it was
28 intended.

1 **[(e)] (F)** “Fund” means the Major Information Technology Development Project
2 Fund.

3 **[(f)] (G)** “Information technology” means all electronic information processing,
4 including:

- 5 (1) maintenance;
- 6 (2) telecommunications;
- 7 (3) hardware;
- 8 (4) software; and
- 9 (5) associated services.

10 **[(g)] (H)** “Information technology services” means information provided by
11 electronic means by or on behalf of a unit of State government.

12 **[(h)] (I)** “Major information technology development project” means any
13 information technology development project that meets one or more of the following
14 criteria:

- 15 (1) the estimated total cost of development equals or exceeds \$1,000,000;
- 16 (2) the project is undertaken to support a critical business function
17 associated with the public health, education, safety, or financial well-being of the citizens
18 of Maryland; or
- 19 (3) the Secretary determines that the project requires the special attention
20 and consideration given to a major information technology development project due to:
- 21 (i) the significance of the project’s potential benefits or risks;
- 22 (ii) the impact of the project on the public or local governments;
- 23 (iii) the public visibility of the project; or
- 24 (iv) other reasons as determined by the Secretary.

25 **[(i)] (J)** “Master plan” means the statewide information technology master plan
26 and statewide cybersecurity strategy.

27 **[(j)] (K)** “Nonvisual access” means the ability, through keyboard control,
28 synthesized speech, Braille, or other methods not requiring sight to receive, use, and

1 manipulate information and operate controls necessary to access information technology in
2 accordance with standards adopted under § 3.5–303(b) of this subtitle.

3 **[(k)] (L)** “Resource sharing” means the utilization of a State resource by private
4 industry in exchange for the provision to the State of a communication service or other
5 consideration.

6 **[(l)] (M)** “Systems development life cycle plan” means a plan that defines all
7 actions, functions, or activities to be performed by a unit of State government in the
8 definition, planning, acquisition, development, testing, implementation, operation,
9 enhancement, and modification of information technology systems.

10 3.5–303.

11 (a) The Secretary is responsible for carrying out the following duties:

12 (1) developing, maintaining, revising, and enforcing information
13 technology policies, procedures, and standards;

14 (2) providing technical assistance, advice, and recommendations to the
15 Governor and any unit of State government concerning information technology matters;

16 (3) reviewing the annual project plan for each unit of State government to
17 make information and services available to the public over the Internet;

18 (4) developing and maintaining a statewide information technology master
19 plan that will:

20 (i) centralize the management and direction of information
21 technology policy within the Executive Branch of State government under the control of the
22 Department;

23 (ii) include all aspects of State information technology including
24 telecommunications, security, data processing, and information management;

25 (iii) consider interstate transfers as a result of federal legislation and
26 regulation;

27 (iv) ensure that the State information technology plan and related
28 policies and standards are consistent with State goals, objectives, and resources, and
29 represent a long–range vision for using information technology to improve the overall
30 effectiveness of State government;

31 (v) include standards to assure nonvisual access to the information
32 and services made available to the public over the Internet; and

1 (vi) allows a State agency to maintain the agency's own information
2 technology unit that provides for information technology services to support the mission of
3 the agency;

4 (5) developing and maintaining a statewide cybersecurity strategy that
5 will:

6 (i) centralize the management and direction of cybersecurity
7 strategy within the Executive Branch of State government under the control of the
8 Department; and

9 (ii) serve as the basis for budget allocations for cybersecurity
10 preparedness for the Executive Branch of State government;

11 (6) adopting by regulation and enforcing nonvisual access standards to be
12 used in the procurement of information technology services by or on behalf of units of State
13 government in accordance with subsection (c) of this section;

14 (7) in consultation with the Maryland Cybersecurity Coordinating Council,
15 advising and overseeing a consistent cybersecurity strategy for units of State government,
16 including institutions under the control of the governing boards of the public institutions
17 of higher education;

18 (8) advising and consulting with the Legislative and Judicial branches of
19 State government regarding a cybersecurity strategy;

20 (9) in consultation with the Maryland Cybersecurity Coordinating Council,
21 developing guidance on consistent cybersecurity strategies for counties, municipal
22 corporations, school systems, and all other political subdivisions of the State;

23 (10) upgrading information technology and cybersecurity-related State
24 government infrastructure; **[and]**

25 (11) annually evaluating:

26 (i) the feasibility of units of State government providing public
27 services using artificial intelligence, machine learning, commercial cloud computer
28 services, device-as-a-service procurement models, and other emerging technologies; and

29 (ii) the development of data analytics capabilities to enable
30 data-driven policymaking by units of State government; **AND**

31 **(12) CONDUCTING INVENTORIES ~~AND ONGOING ASSESSMENTS~~ OF**
32 **SYSTEMS THAT EMPLOY ARTIFICIAL INTELLIGENCE THAT ARE USED BY A UNIT OF**
33 **STATE GOVERNMENT AS REQUIRED UNDER ~~§ 3.5-318 OF THIS SUBTITLE~~ § 3.5-803**
34 **OF THIS TITLE.**

1 **3.5–318.**

2 (A) ON OR BEFORE DECEMBER 1, 2024, AND ANNUALLY THEREAFTER,
3 EACH UNIT OF STATE GOVERNMENT SHALL CONDUCT A DATA INVENTORY THAT
4 IDENTIFIES DATA THAT MEETS THE CRITERIA ESTABLISHED BY THE CHIEF DATA
5 OFFICER AND THAT IS:

6 (1) (I) NECESSARY FOR THE OPERATION OF THE UNIT; OR

7 (II) OTHERWISE REQUIRED TO BE COLLECTED:

8 1. AS A CONDITION TO RECEIVE FEDERAL FUNDS; OR

9 2. BY FEDERAL OR STATE LAW; AND

10 (2) IN A FORM PRESCRIBED BY THE CHIEF DATA OFFICER,
11 INCLUDING WHEN THE DATA IS USED IN ARTIFICIAL INTELLIGENCE.

12 (B) THE DEPARTMENT SHALL DEVELOP AND PUBLISH GUIDANCE ON THE
13 POLICIES AND PROCEDURES FOR THE INVENTORY.

14 **SUBTITLE 8. ARTIFICIAL INTELLIGENCE.**

15 **3.5–801.**

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
17 INDICATED.

18 (B) (1) “ALGORITHMIC DECISION SYSTEM” MEANS A COMPUTATIONAL
19 PROCESS THAT FACILITATES DECISION MAKING.

20 (2) “ALGORITHMIC DECISION SYSTEM” INCLUDES DECISIONS
21 DERIVED FROM MACHINES, STATISTICS, FACIAL RECOGNITION, AND DECISIONS ON
22 PAPER.

23 (C) “ARTIFICIAL INTELLIGENCE” MEANS A MACHINE–BASED SYSTEM THAT:

24 (1) CAN, FOR A GIVEN SET OF HUMAN–DEFINED OBJECTIVES, MAKE
25 PREDICTIONS, RECOMMENDATIONS, OR DECISIONS INFLUENCING REAL OR VIRTUAL
26 ENVIRONMENTS;

1 (2) USES MACHINE AND HUMAN-BASED INPUTS TO PERCEIVE REAL
2 AND VIRTUAL ENVIRONMENTS AND ABSTRACTS THOSE PERCEPTIONS INTO MODELS
3 THROUGH ANALYSIS IN AN AUTOMATED MANNER; AND

4 (3) USES MODEL INFERENCE TO FORMULATE OPTIONS FOR
5 INFORMATION OR ACTION.

6 ~~(D) “HIGH-RISK” MEANS AN ACT THAT IS LIKELY TO:~~

7 ~~(1) RESULT IN ANY UNLAWFUL DISCRIMINATION;~~

8 ~~(2) HAVE AN UNLAWFUL DISPARATE IMPACT ON ANY INDIVIDUAL OR~~
9 ~~GROUP OF INDIVIDUALS ON THE BASIS OF ANY ACTUAL OR PERCEIVED~~
10 ~~CHARACTERISTIC; OR~~

11 ~~(3) HAVE A NEGATIVE IMPACT ON THE HEALTH, SAFETY, OR~~
12 ~~WELL-BEING OF AN INDIVIDUAL.~~

13 ~~(E) (D) “IMPACT ASSESSMENT” MEANS A DOCUMENTED RISK-BASED~~
14 ~~EVALUATION OF A SYSTEM THAT EMPLOYS RIGHTS-IMPACTING OR~~
15 ~~SAFETY-IMPACTING ARTIFICIAL INTELLIGENCE.~~

16 (D) (1) “HIGH-RISK ARTIFICIAL INTELLIGENCE” MEANS ARTIFICIAL
17 INTELLIGENCE THAT IS A RISK TO INDIVIDUALS OR COMMUNITIES, AS DEFINED
18 UNDER REGULATIONS ADOPTED BY THE DEPARTMENT IN CONSULTATION WITH THE
19 GOVERNOR’S ARTIFICIAL INTELLIGENCE SUBCABINET.

20 (2) “HIGH-RISK ARTIFICIAL INTELLIGENCE” INCLUDES
21 RIGHTS-IMPACTING ARTIFICIAL INTELLIGENCE AND SAFETY-IMPACTING
22 ARTIFICIAL INTELLIGENCE.

23 (E) “IMPACT ASSESSMENT” MEANS AN ASSESSMENT OF ARTIFICIAL
24 INTELLIGENCE SYSTEMS MADE UNDER REGULATIONS ADOPTED BY THE
25 DEPARTMENT IN CONSULTATION WITH THE GOVERNOR’S ARTIFICIAL
26 INTELLIGENCE SUBCABINET AND REQUIRED UNDER § 3.5-803 OF THIS SUBTITLE.

27 ~~(E) (F) “PUBLIC SENIOR HIGHER EDUCATION INSTITUTION” MEANS:~~

28 (1) THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY SYSTEM
29 OF MARYLAND AND THE UNIVERSITY OF MARYLAND CENTER FOR
30 ENVIRONMENTAL SCIENCE;

31 (2) MORGAN STATE UNIVERSITY; OR

1 **(3) ST. MARY'S COLLEGE OF MARYLAND.**

2 ~~(F) (G)~~ **"RIGHTS-IMPACTING ARTIFICIAL INTELLIGENCE" MEANS**
 3 **ARTIFICIAL INTELLIGENCE WHOSE OUTPUT SERVES AS A BASIS FOR DECISION OR**
 4 **ACTION THAT HAS A LEGAL, MATERIAL, OR SIMILARLY SIGNIFICANT EFFECT ON AN**
 5 **INDIVIDUAL'S OR COMMUNITY'S;**

6 ~~(1)~~ **CIVIL RIGHTS, CIVIL LIBERTIES, OR PRIVACY, INCLUDING**
 7 **FREEDOM OF SPEECH, VOTING, HUMAN AUTONOMY, AND PROTECTIONS FROM**
 8 **DISCRIMINATION, EXCESSIVE PUNISHMENT, AND UNLAWFUL SURVEILLANCE;**

9 ~~(2)~~ **EQUAL OPPORTUNITIES, INCLUDING EQUITABLE ACCESS TO**
 10 **EDUCATION, HOUSING, CREDIT, EMPLOYMENT, AND OTHER SITUATIONS WHERE**
 11 **CIVIL RIGHTS AND EQUAL OPPORTUNITY PROTECTIONS APPLY; OR**

12 ~~(3)~~ **ACCESS TO CRITICAL RESOURCES OR SERVICES, INCLUDING**
 13 **HEALTH CARE, FINANCIAL SERVICES, SOCIAL SERVICES, TRANSPORTATION,**
 14 **NONDECEPTIVE INFORMATION ABOUT GOODS AND SERVICES, AND GOVERNMENT**
 15 **BENEFITS OR PRIVILEGES. IS SIGNIFICANTLY LIKELY TO AFFECT CIVIL RIGHTS,**
 16 **CIVIL LIBERTIES, EQUAL OPPORTUNITIES, ACCESS TO CRITICAL RESOURCES, OR**
 17 **PRIVACY.**

18 ~~(G) (H)~~ **"SAFETY-IMPACTING ARTIFICIAL INTELLIGENCE" MEANS**
 19 **ARTIFICIAL INTELLIGENCE THAT HAS THE POTENTIAL TO MEANINGFULLY**
 20 **SIGNIFICANTLY IMPACT THE SAFETY OF INDIVIDUALS AND COMMUNITIES**
 21 **REGARDING;**

22 ~~(1)~~ **HUMAN LIFE OR WELL-BEING, INCLUDING LOSS OF LIFE, SERIOUS**
 23 **INJURY, BODILY HARM, BIOLOGICAL OR CHEMICAL WEAPONS, OCCUPATIONAL**
 24 **HAZARDS, HARASSMENT OR ABUSE, OR MENTAL HEALTH;**

25 ~~(2)~~ **THE CLIMATE OR THE ENVIRONMENT, INCLUDING IRREVERSIBLE**
 26 **OR SIGNIFICANT ENVIRONMENTAL DAMAGE;**

27 ~~(3)~~ **CRITICAL INFRASTRUCTURE, INCLUDING THE INFRASTRUCTURE**
 28 **FOR VOTING AND PROTECTING THE INTEGRITY OF ELECTIONS; OR**

29 ~~(4)~~ **STRATEGIC ASSETS OR RESOURCES, INCLUDING INTELLECTUAL**
 30 **PROPERTY, OF HUMAN LIFE, WELL-BEING, OR CRITICAL INFRASTRUCTURE.**

31 **3.5-802.**

32 ~~(A)~~ **THIS SUBTITLE APPLIES TO EACH PUBLIC SENIOR HIGHER EDUCATION**
 33 **INSTITUTION AND BALTIMORE CITY COMMUNITY COLLEGE IN A PARTNERSHIP FOR**

~~1 THE DEVELOPMENT, PROCUREMENT, DEPLOYMENT, OR USE OF ARTIFICIAL
2 INTELLIGENCE WITH A UNIT OF STATE GOVERNMENT.~~

~~3 (B) EXCEPT AS PROVIDED IN § 3.5-804(D) OF THIS SUBTITLE, THIS
4 SUBTITLE DOES NOT APPLY TO ARTIFICIAL INTELLIGENCE DEPLOYED BY PUBLIC
5 SENIOR HIGHER EDUCATION INSTITUTIONS OR BALTIMORE CITY COMMUNITY
6 COLLEGE USED SOLELY FOR A RESEARCH OR ACADEMIC PURPOSE, INCLUDING IN A
7 PARTNERSHIP FOR THE DEVELOPMENT, PROCUREMENT, DEPLOYMENT, OR USE OF
8 ARTIFICIAL INTELLIGENCE WITH A UNIT OF STATE GOVERNMENT.~~

~~9 (C) A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR BALTIMORE
10 CITY COMMUNITY COLLEGE SHALL ESTABLISH POLICIES AND PROCEDURES THAT
11 ARE FUNCTIONALLY COMPATIBLE WITH THE POLICIES AND PROCEDURES ADOPTED
12 UNDER § 3.5-804(A) OF THIS SUBTITLE FOR ARTIFICIAL INTELLIGENCE DEPLOYED
13 FOR AN OPERATIONS-RELATED PURPOSE.~~

~~14 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
15 THIS SUBTITLE DOES NOT APPLY TO:~~

~~16 (I) THE OFFICE OF THE ATTORNEY GENERAL;~~

~~17 (II) THE COMPTROLLER; OR~~

~~18 (III) THE STATE TREASURER.~~

~~19 (2) ON OR BEFORE JUNE 1, 2025, EACH ENTITY LISTED UNDER
20 PARAGRAPH (1) OF THIS SUBSECTION SHALL ESTABLISH POLICIES AND
21 PROCEDURES THAT ARE FUNCTIONALLY COMPATIBLE WITH THE POLICIES AND
22 PROCEDURES ADOPTED UNDER § 3.5-804(A) OF THIS SUBTITLE FOR THE
23 DEVELOPMENT, PROCUREMENT, DEPLOYMENT, USE, AND ONGOING ASSESSMENT OF
24 SYSTEMS THAT EMPLOY HIGH-RISK ARTIFICIAL INTELLIGENCE.~~

~~25 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
26 THIS SUBTITLE APPLIES TO EACH PUBLIC SENIOR HIGHER EDUCATION INSTITUTION
27 AND BALTIMORE CITY COMMUNITY COLLEGE.~~

~~28 (2) THIS SUBTITLE DOES NOT APPLY TO ARTIFICIAL INTELLIGENCE
29 DEPLOYED BY A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR BALTIMORE
30 CITY COMMUNITY COLLEGE THAT IS USED SOLELY FOR A RESEARCH OR ACADEMIC
31 PURPOSE, INCLUDING IN PARTNERSHIP WITH A UNIT OF STATE GOVERNMENT FOR
32 THE DEVELOPMENT, PROCUREMENT, DEPLOYMENT, OR USE OF ARTIFICIAL
33 INTELLIGENCE.~~

1 **(3) ON OR BEFORE JUNE 1, 2025, EACH PUBLIC SENIOR HIGHER**
 2 **EDUCATION INSTITUTION AND BALTIMORE CITY COMMUNITY COLLEGE SHALL**
 3 **ESTABLISH POLICIES AND PROCEDURES THAT ARE FUNCTIONALLY COMPATIBLE**
 4 **WITH THE POLICIES AND PROCEDURES ADOPTED UNDER § 3.5-804(A) OF THIS**
 5 **SUBTITLE FOR THE DEVELOPMENT, PROCUREMENT, DEPLOYMENT, USE, AND**
 6 **ONGOING ASSESSMENT OF SYSTEMS THAT EMPLOY HIGH-RISK ARTIFICIAL**
 7 **INTELLIGENCE USED SOLELY FOR A RESEARCH OR ACADEMIC PURPOSE.**

8 **(4) ON OR BEFORE SEPTEMBER 1, 2025, AND EACH YEAR**
 9 **THEREAFTER, EACH PUBLIC SENIOR HIGHER EDUCATION INSTITUTION AND**
 10 **BALTIMORE CITY COMMUNITY COLLEGE SHALL SUBMIT TO THE DEPARTMENT A**
 11 **REPORT ON ALL HIGH-RISK ARTIFICIAL INTELLIGENCE PROCURED AND DEPLOYED**
 12 **FOR A RESEARCH OR ACADEMIC PURPOSE.**

13 **3.5-803.**

14 **(A) ON OR BEFORE DECEMBER 1, ~~2024~~ 2025, AND ~~ANNUALLY~~ REGULARLY**
 15 **THEREAFTER, EACH UNIT OF STATE GOVERNMENT SHALL:**

16 **(1) CONDUCT AN INVENTORY OF SYSTEMS THAT EMPLOY**
 17 **~~RIGHTS IMPACTING OR SAFETY IMPACTING~~ HIGH-RISK ARTIFICIAL INTELLIGENCE;**
 18 **AND**

19 **(2) PROVIDE THE INVENTORY TO THE DEPARTMENT IN A FORMAT**
 20 **REQUIRED BY THE DEPARTMENT.**

21 **(B) FOR EACH SYSTEM, THE INVENTORY REQUIRED BY THIS SECTION SHALL**
 22 **INCLUDE:**

23 **(1) THE NAME OF THE SYSTEM;**

24 **(2) THE VENDOR THAT PROVIDED THE SYSTEM, IF APPLICABLE;**

25 **(3) A DESCRIPTION OF THE CAPABILITIES OF THE SYSTEM;**

26 **(4) A STATEMENT OF THE PURPOSE AND THE INTENDED USES OF THE**
 27 **SYSTEM;**

28 **(5) WHETHER THE SYSTEM UNDERWENT AN IMPACT ASSESSMENT**
 29 **PRIOR TO BEING ~~IMPLEMENTED~~ DEPLOYED;**

30 **(6) WHETHER THE SYSTEM IS USED TO INDEPENDENTLY MAKE A**
 31 **DECISION OR JUDGMENT OR TO INFORM OR SUPPORT A DECISION OR JUDGMENT**
 32 **DETERMINED BY THE DEPARTMENT TO INVOLVE ~~A HIGH-RISK ACTION~~**

1 ~~RIGHTS IMPACTING OR SAFETY IMPACTING HIGH-RISK~~ ARTIFICIAL INTELLIGENCE;
2 AND

3 (7) ~~A DETERMINATION OF THE RISK THAT USE OF A SYSTEM MAY BE~~
4 ~~HIGH-RISK~~ SUMMARY OF THE RESULTS OF THE MOST RECENT IMPACT ASSESSMENT.

5 (C) THE DEPARTMENT SHALL MAKE ~~EACH INVENTORY REQUIRED BY THIS~~
6 ~~SECTION~~ AN AGGREGATED STATEWIDE INVENTORY PUBLICLY AVAILABLE ON ITS
7 WEBSITE.

8 (D) (1) THE DEPARTMENT MAY NOT MAKE PUBLICLY AVAILABLE ON THE
9 DEPARTMENT'S WEBSITE INFORMATION FROM THE INVENTORIES REQUIRED BY
10 THIS SECTION THAT RELATE TO THE SAFETY AND SECURITY OF STATE SYSTEMS IF
11 THE PUBLICATION OF THE INFORMATION IS LIKELY TO COMPROMISE THE SECURITY
12 OR INTEGRITY OF THE SYSTEM.

13 (2) ON REQUEST, THE DEPARTMENT SHALL PROVIDE TO THE
14 GOVERNOR, MEMBERS OF THE GENERAL ASSEMBLY, AND LAW ENFORCEMENT THE
15 INFORMATION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION.

16 (E) (1) ON OR BEFORE ~~FEBRUARY 1, 2025,~~ DECEMBER 31, 2025 2026,
17 EACH UNIT OF STATE GOVERNMENT SHALL CONDUCT AN IMPACT ASSESSMENT OF A
18 SYSTEM PROCURED ON OR AFTER FEBRUARY 1, 2025 2026, THAT INVOLVES ~~A~~
19 ~~HIGH-RISK ACTION~~ ~~RIGHTS IMPACTING OR SAFETY IMPACTING~~ ~~HIGH-RISK~~
20 ARTIFICIAL INTELLIGENCE.

21 (2) ON OR BEFORE ~~FEBRUARY~~ JULY 1, 2027, EACH UNIT OF STATE
22 GOVERNMENT SHALL CONDUCT AN IMPACT ASSESSMENT OF A SYSTEM PROCURED
23 BEFORE FEBRUARY 1, 2025 2026, THAT INVOLVES ~~RIGHTS IMPACTING OR~~
24 ~~SAFETY IMPACTING~~ ~~HIGH-RISK~~ ARTIFICIAL INTELLIGENCE.

25 ~~3.5-803.~~ 3.5-804.

26 (A) ON OR BEFORE DECEMBER 1, 2024, THE DEPARTMENT, IN
27 CONSULTATION WITH THE GOVERNOR'S ARTIFICIAL INTELLIGENCE SUBCABINET,
28 SHALL ADOPT POLICIES AND PROCEDURES CONCERNING THE DEVELOPMENT,
29 PROCUREMENT, ~~IMPLEMENTATION~~ DEPLOYMENT, USE, AND ONGOING ASSESSMENT
30 OF SYSTEMS THAT EMPLOY ~~RIGHTS IMPACTING OR SAFETY IMPACTING~~ ~~HIGH-RISK~~
31 ARTIFICIAL INTELLIGENCE BY A UNIT OF STATE GOVERNMENT.

32 (B) THE POLICIES AND PROCEDURES REQUIRED BY SUBSECTION (A) OF
33 THIS SECTION SHALL:

1 (1) SUBJECT TO ANY OTHER APPLICABLE LAW, GOVERN THE
2 PROCUREMENT, ~~IMPLEMENTATION~~ DEPLOYMENT, AND ONGOING ASSESSMENT OF
3 SYSTEMS THAT EMPLOY ~~RIGHTS IMPACTING OR SAFETY IMPACTING~~ HIGH-RISK
4 ARTIFICIAL INTELLIGENCE BY A UNIT OF STATE GOVERNMENT;

5 ~~(2) BE SUFFICIENT TO ENSURE THAT THE USE OF ANY SYSTEM THAT~~
6 ~~EMPLOYS ARTIFICIAL INTELLIGENCE BY ANY UNIT OF STATE GOVERNMENT IS NOT~~
7 ~~HIGH-RISK;~~

8 ~~(3) REQUIRE EACH UNIT OF STATE GOVERNMENT TO ASSESS THE~~
9 ~~LIKELY IMPACT OF ANY SYSTEM THAT EMPLOYS ARTIFICIAL INTELLIGENCE BEFORE~~
10 ~~IMPLEMENTING THE SYSTEM;~~

11 (2) DEFINE THE CRITERIA FOR AN INVENTORY OF SYSTEMS THAT
12 EMPLOY ~~RIGHTS IMPACTING OR SAFETY IMPACTING~~ HIGH-RISK ARTIFICIAL
13 INTELLIGENCE;

14 ~~(3) GOVERN THE PROCUREMENT, DEPLOYMENT, USE, AND ONGOING~~
15 ~~ASSESSMENT OF SYSTEMS THAT EMPLOY RIGHTS IMPACTING OR~~
16 ~~SAFETY IMPACTING ARTIFICIAL INTELLIGENCE FOR AN OPERATIONS RELATED~~
17 ~~PURPOSE BY A UNIT OF STATE GOVERNMENT IN PARTNERSHIP WITH A PUBLIC~~
18 ~~SENIOR HIGHER EDUCATION INSTITUTION OR WITH BALTIMORE CITY COMMUNITY~~
19 ~~COLLEGE;~~

20 (3) BE SUFFICIENT TO ENSURE THAT THE USE OF ANY SYSTEM THAT
21 EMPLOYS ARTIFICIAL INTELLIGENCE BY A UNIT OF STATE GOVERNMENT IS
22 GOVERNED BY ADEQUATE GUARDRAILS TO PROTECT INDIVIDUALS AND
23 COMMUNITIES;

24 (4) IF THE DEPARTMENT IS NOTIFIED THAT AN INDIVIDUAL OR GROUP
25 OF INDIVIDUALS MAY HAVE BEEN NEGATIVELY IMPACTED BY A SYSTEM THAT
26 EMPLOYS HIGH-RISK ARTIFICIAL INTELLIGENCE, REQUIRE THE DEPARTMENT TO:

27 (I) NOTIFY AN INDIVIDUAL OR A GROUP OF INDIVIDUALS
28 DETERMINED TO HAVE BEEN NEGATIVELY IMPACTED ~~BY A SYSTEM THAT EMPLOYS~~
29 ~~RIGHTS IMPACTING OR SAFETY IMPACTING~~ HIGH RISK ~~ARTIFICIAL~~
30 ~~INTELLIGENCE; AND~~

31 (II) PROVIDE GUIDANCE TO AN INDIVIDUAL OR A GROUP OF
32 INDIVIDUALS DETERMINED TO HAVE BEEN NEGATIVELY IMPACTED ~~BY A SYSTEM~~
33 ~~THAT EMPLOYS RIGHTS IMPACTING OR SAFETY IMPACTING~~ HIGH RISK ~~ARTIFICIAL~~
34 ~~INTELLIGENCE~~ ON AVAILABLE OPTIONS TO OPT OUT OF THE SYSTEM; AND

1 (5) PROVIDE GUIDANCE TO UNITS OF STATE GOVERNMENT ON
2 PROCUREMENT OF A SYSTEM THAT EMPLOYS ~~RIGHTS IMPACTING OR SAFETY~~
3 ~~IMPACTING HIGH-RISK~~ ARTIFICIAL INTELLIGENCE THAT ENSURES DATA PRIVACY
4 AND COMPLIANCE WITH APPLICABLE STATUTES AND REGULATIONS.

5 (C) THE DEPARTMENT SHALL MAKE THE POLICIES AND PROCEDURES
6 REQUIRED BY SUBSECTION (A) OF THIS SECTION PUBLICLY AVAILABLE ON ITS
7 WEBSITE WITHIN 45 DAYS AFTER THE POLICIES AND PROCEDURES ARE ADOPTED.

8 ~~(D) EACH PUBLIC SENIOR HIGHER EDUCATION INSTITUTION AND~~
9 ~~BALTIMORE CITY COMMUNITY COLLEGE SHALL SUBMIT TO THE DEPARTMENT AN~~
10 ~~ANNUAL REPORT ON ARTIFICIAL INTELLIGENCE PROCURED AND DEPLOYED.~~

11 ~~3.5-804. 3.5-805.~~

12 (A) BEGINNING ~~JULY JANUARY~~ JULY 1, 2025, A UNIT OF STATE
13 GOVERNMENT MAY NOT PROCURE OR ~~IMPLEMENT A~~ DEPLOY A NEW SYSTEM THAT
14 EMPLOYS ARTIFICIAL INTELLIGENCE UNLESS THE SYSTEM COMPLIES WITH THE
15 POLICIES AND PROCEDURES ADOPTED UNDER ~~§ 3.5-803~~ 3.5-804 OF THIS SUBTITLE.

16 (B) A UNIT OF STATE GOVERNMENT THAT EMPLOYS ~~RIGHTS IMPACTING OR~~
17 ~~SAFETY IMPACTING~~ HIGH-RISK ARTIFICIAL INTELLIGENCE SHALL CONDUCT
18 REGULAR IMPACT ASSESSMENTS, AS DETERMINED BY THE GOVERNOR'S ARTIFICIAL
19 INTELLIGENCE SUBCABINET OF THE GOVERNOR'S EXECUTIVE COUNCIL.

20 ~~3.5-805. 3.5-806.~~

21 (A) THERE IS A GOVERNOR'S ARTIFICIAL INTELLIGENCE SUBCABINET OF
22 THE GOVERNOR'S EXECUTIVE COUNCIL.

23 (B) THE PURPOSE OF THE SUBCABINET IS TO FACILITATE AND ENHANCE
24 COOPERATION AMONG UNITS OF STATE GOVERNMENT, IN CONSULTATION WITH
25 ACADEMIC INSTITUTIONS AND INDUSTRIES UTILIZING ARTIFICIAL INTELLIGENCE.

26 (C) THE SUBCABINET CONSISTS OF THE FOLLOWING MEMBERS:

27 (1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;

28 (2) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE
29 SECRETARY'S DESIGNEE;

30 (3) THE SECRETARY OF GENERAL SERVICES, OR THE SECRETARY'S
31 DESIGNEE;

1 (4) THE SECRETARY OF LABOR, OR THE SECRETARY'S DESIGNEE;

2 (5) THE SECRETARY OF COMMERCE, OR THE SECRETARY'S
3 DESIGNEE;

4 (6) THE DIRECTOR OF THE GOVERNOR'S OFFICE OF HOMELAND
5 SECURITY, OR THE DIRECTOR'S DESIGNEE;

6 (7) THE CHIEF PRIVACY OFFICER, OR THE CHIEF PRIVACY
7 OFFICER'S DESIGNEE;

8 (8) THE CHIEF DATA OFFICER, OR THE CHIEF DATA OFFICER'S
9 DESIGNEE;

10 (9) THE CHIEF INFORMATION SECURITY OFFICER, OR THE CHIEF
11 INFORMATION SECURITY OFFICER'S DESIGNEE;

12 (10) THE GOVERNOR'S SENIOR ADVISOR FOR RESPONSIBLE
13 ARTIFICIAL INTELLIGENCE, OR THE SENIOR ADVISOR'S DESIGNEE; AND

14 (11) ANY OTHER MEMBER OF THE GOVERNOR'S EXECUTIVE COUNCIL,
15 APPOINTED BY THE GOVERNOR.

16 (D) THE SECRETARY SHALL CHAIR THE SUBCABINET.

17 (E) THE SUBCABINET SHALL:

18 (1) DEVELOP STRATEGY, POLICY, AND MONITORING PROCESSES FOR
19 RESPONSIBLE AND PRODUCTIVE USE OF ARTIFICIAL INTELLIGENCE AND
20 ASSOCIATED DATA BY UNITS OF STATE GOVERNMENT;

21 (2) OVERSEE THE STATE'S IMPLEMENTATION OF:

22 (I) ARTIFICIAL INTELLIGENCE INVENTORY;

23 (II) ~~DATA INVENTORY;~~

24 ~~(III) ARTIFICIAL INTELLIGENCE IMPACT ASSESSMENTS;~~

25 ~~(IV) (III) MONITORING OF ARTIFICIAL INTELLIGENCE~~
26 ~~INVOLVING A HIGH RISK ACTION RIGHTS IMPACTING OR SAFETY IMPACTING~~
27 ~~ARTIFICIAL INTELLIGENCE; AND~~

1 (III) MONITORING OF HIGH-RISK ARTIFICIAL INTELLIGENCE;

2 AND

3 ~~(V) (IV) COMPLIANCE WITH STATE POLICIES AND~~
4 ~~PROCEDURES;~~

5 (3) SUPPORT ARTIFICIAL INTELLIGENCE AND DATA INNOVATION
6 ACROSS UNITS OF STATE GOVERNMENT ~~AND IN PRIVATE SECTOR ENTERPRISE BY;~~

7 ~~(I) IDENTIFYING AND PRIORITIZING BEST USES OF ARTIFICIAL~~
8 ~~INTELLIGENCE IN EACH UNIT OF STATE GOVERNMENT AND IN PRIVATE SECTOR~~
9 ~~ENTERPRISE;~~

10 ~~(II) TESTING PROOFS OF CONCEPT OF PRIORITY ARTIFICIAL~~
11 ~~INTELLIGENCE USE IN PROTOTYPING;~~

12 ~~(III) REDUCING BARRIERS TO THE RESPONSIBLE USE OF~~
13 ~~ARTIFICIAL INTELLIGENCE AND STATE DATA;~~

14 ~~(IV) DEVELOPING SUCCESSFUL ARTIFICIAL INTELLIGENCE~~
15 ~~PILOTS INTO PRODUCTION; AND~~

16 ~~(V) TRAINING AND WORKFORCE DEVELOPMENT;~~

17 (4) DEVELOP AND IMPLEMENT A COMPREHENSIVE ACTION PLAN FOR
18 RESPONSIBLE AND PRODUCTIVE USE OF ARTIFICIAL INTELLIGENCE AND
19 ASSOCIATED DATA BY UNITS OF STATE GOVERNMENT;

20 (5) ESTABLISH PARTNERSHIPS, MEMORANDA OF UNDERSTANDING,
21 AND CONTRACTS TO SUPPORT THE AIMS OF THIS SECTION;

22 (6) PROMOTE ARTIFICIAL INTELLIGENCE KNOWLEDGE, SKILLS, AND
23 TALENT IN STATE GOVERNMENT ~~BY;~~

24 ~~(I) IDENTIFYING AND OFFERING TRAINING PROGRAMS FOR~~
25 ~~STATE WORKERS ON THE USE OF ARTIFICIAL INTELLIGENCE AND PARTICULARLY~~
26 ~~GENERATIVE ARTIFICIAL INTELLIGENCE; AND~~

27 ~~(II) EXPLORING WAYS TO PROVIDE EXTERNAL ARTIFICIAL~~
28 ~~INTELLIGENCE TALENT AN OPPORTUNITY TO SERVE THE STATE AND UNITS OF~~
29 ~~STATE GOVERNMENT IN TARGETED, SHORT TERM PROJECTS, INCLUDING BY~~
30 ~~LEVERAGING INSTITUTIONS OF HIGHER EDUCATION OR INDUSTRY; AND~~

1 **(7) IDENTIFY ARTIFICIAL INTELLIGENCE USE CASES AND BUILD**
 2 **FOUNDATIONAL INFRASTRUCTURE BY REQUIRING:**

3 **(I) THE DEPARTMENT TO EVALUATE RELEVANT**
 4 **INFRASTRUCTURE TO SAFELY, SECURELY, AND EFFICIENTLY TEST ARTIFICIAL**
 5 **INTELLIGENCE PROOFS OF CONCEPT AND PILOTS;**

6 **(II) THE DEPARTMENT OF GENERAL SERVICES, IN**
 7 **CONSULTATION WITH THE DEPARTMENT, TO CREATE A MODEL FOR RUNNING AND**
 8 **PROCURING ARTIFICIAL INTELLIGENCE PROOFS OF CONCEPT AND PILOTS, IN**
 9 **ACCORDANCE WITH STATE LAWS, REGULATIONS, AND POLICIES; AND**

10 **(III) THE DEPARTMENT, IN CONSULTATION WITH THE**
 11 **SUBCABINET, TO COORDINATE WITH AGENCIES TO PROVIDE SUPPORT IN**
 12 **IDENTIFYING AND PRIORITIZING USE CASES AND EXECUTING PROOFS OF CONCEPT**
 13 **AND PILOTS ALIGNED WITH THE GOVERNOR'S PRIORITIES.**

14 **(F) THE GOVERNOR SHALL PROVIDE THE SUBCABINET WITH SUFFICIENT**
 15 **RESOURCES TO PERFORM THE FUNCTIONS OF THIS SECTION.**

16 ~~**(G) FOR EACH FISCAL YEAR, THE GOVERNOR MAY INCLUDE IN THE ANNUAL**~~
 17 ~~**BUDGET BILL AN APPROPRIATION OF UP TO \$3,000,000 FOR PARTNERSHIPS AND**~~
 18 ~~**CONTRACTS TO SUPPORT THE FUNCTIONS REQUIRED IN THIS SECTION.**~~

19 ~~12-101.~~

20 ~~(a) This section does not apply to:~~

21 ~~(1) capital expenditures by the Department of Transportation or the~~
 22 ~~Maryland Transportation Authority, in connection with State roads, bridges, or highways,~~
 23 ~~as provided in § 12-202 of this title; [or]~~

24 ~~(2) procurements by the Department of General Services AND THE~~
 25 ~~DEPARTMENT OF INFORMATION TECHNOLOGY for the purpose of modernizing~~
 26 ~~INFORMATION TECHNOLOGY AND cybersecurity infrastructure for the State valued~~
 27 ~~below \$1,000,000; OR~~

28 ~~**(3) COMPETITIVE PROOF OF CONCEPT PROCUREMENTS VALUED**~~
 29 ~~**BELOW \$1,000,000 MADE UNDER § 13-116 OF THIS ARTICLE.**~~

30 ~~(b) (1) The Board may control procurement by units.~~

31 ~~(2) To implement the provisions of this Division II, the Board may:~~

32 ~~(i) set policy;~~

1 (ii) ~~adopt regulations, in accordance with Title 10, Subtitle 1 of the~~
2 ~~State Government Article; and~~

3 (iii) ~~establish internal operational procedures consistent with this~~
4 ~~Division II.~~

5 (3) ~~The Board shall ensure that the regulations of the primary~~
6 ~~procurement units provide for procedures that are consistent with this Division II and Title~~
7 ~~13, Subtitle 4 of the State Personnel and Pensions Article and, to the extent the~~
8 ~~circumstances of a particular type of procurement or a particular unit do not require~~
9 ~~otherwise, are substantially the same.~~

10 (4) ~~The Board may delegate any of its authority that it determines to be~~
11 ~~appropriate for delegation and may require prior Board approval for specified procurement~~
12 ~~actions.~~

13 (5) ~~Except as limited by the Maryland Constitution, the Board may~~
14 ~~exercise any control authority conferred on a primary procurement unit by this Division II~~
15 ~~and, to the extent that its action conflicts with the action of the primary procurement unit,~~
16 ~~the action of the Board shall prevail.~~

17 (e) ~~On or before December 1 each year, the Department of General Services shall~~
18 ~~submit a report to the Board on procurements made under subsection (a)(2) of this section~~
19 ~~that shall include for each procurement:~~

20 (1) ~~the purpose of the procurement;~~

21 (2) ~~the name of the contractor;~~

22 (3) ~~the contract amount;~~

23 (4) ~~the method of procurement utilized;~~

24 (5) ~~the number of bidders who bid on the procurement; and~~

25 (6) ~~the contract term.~~

26 ~~(D) ON OR BEFORE DECEMBER 1 EACH YEAR, THE DEPARTMENT OF~~
27 ~~GENERAL SERVICES SHALL SUBMIT A REPORT TO THE BOARD ON PROCUREMENTS~~
28 ~~MADE UNDER SUBSECTION (A)(3) OF THIS SECTION THAT SHALL INCLUDE FOR EACH~~
29 ~~PROCUREMENT:~~

30 (1) ~~THE PURPOSE OF THE PROCUREMENT;~~

31 (2) ~~THE NAME OF THE CONTRACTOR;~~

- 1 ~~(3) THE CONTRACT AMOUNT;~~
 2 ~~(4) THE NUMBER OF PROPOSALS RECEIVED ON THE PROCUREMENT;~~
 3 ~~AND~~
 4 ~~(5) THE CONTRACT TERM.~~

5 13-116.

6 (A) IN THIS SECTION, "PROOF OF CONCEPT" MEANS A TEST, EVALUATION,
 7 DEMONSTRATION, OR PILOT PROJECT OF A ~~GOOD OR SERVICE~~ GOOD, SERVICE, OR
 8 TECHNOLOGY IN A REAL-WORLD ENVIRONMENT TO EVALUATE WHETHER THE ~~GOOD~~
 9 ~~OR SERVICE~~ GOOD, SERVICE, OR TECHNOLOGY CAN BE SUCCESSFULLY DEPLOYED
 10 AND IS BENEFICIAL TO THE STATE.

11 (B) (1) A COMPETITIVE PROOF OF CONCEPT PROCUREMENT IS A FORMAL
 12 COMPETITIVE PROCUREMENT METHOD THAT MAY BE USED TO SOLICIT PROPOSALS
 13 FOR THE CONDUCT OF A PROOF OF CONCEPT PRIOR TO FULL IMPLEMENTATION
 14 WHEN THE HEAD OF A UNIT DETERMINES THE PROCESS TO BE APPROPRIATE AND IN
 15 THE BEST INTERESTS OF THE UNIT, INCLUDING:

16 (I) TESTING SOFTWARE-AS-A-SERVICE OR OFF-THE-SHELF
 17 SOFTWARE;

18 (II) TESTING NEW, INNOVATIVE PRODUCTS OR SERVICES; OR

19 (III) TESTING A PRODUCT OR SERVICE CONCEPTUALIZED OR
 20 CONCEIVED OF BY A UNIT OF STATE GOVERNMENT.

21 (2) (I) AFTER OBTAINING THE APPROVAL OF THE HEAD OF THE
 22 UNIT AND BEFORE CONDUCTING A COMPETITIVE PROOF OF CONCEPT
 23 PROCUREMENT, THE UNIT SHALL OBTAIN APPROVAL FROM THE SECRETARY OF
 24 INFORMATION TECHNOLOGY, OR THE SECRETARY'S DESIGNEE.

25 (II) THE SECRETARY OF INFORMATION TECHNOLOGY MAY
 26 GRANT APPROVAL FOR A COMPETITIVE PROOF OF CONCEPT PROCUREMENT IF THE
 27 UNIT:

28 1. HAS SUFFICIENT INTERNAL RESOURCES TO MANAGE
 29 THE PROOF OF CONCEPT, INCLUDING HUMAN CAPITAL, SUBJECT MATTER
 30 EXPERTISE, AND TECHNOLOGICAL INFRASTRUCTURE, OR HAS THE MEANS TO
 31 OBTAIN THESE RESOURCES; AND

1 **2. ENTERS INTO A MEMORANDUM OF UNDERSTANDING**
2 **WITH THE DEPARTMENT OF INFORMATION TECHNOLOGY THAT REQUIRES REGULAR**
3 **STATUS UPDATES, VENDOR CAPACITY, AND ANY OTHER INFORMATION NECESSARY**
4 **FOR THE DEPARTMENT OF INFORMATION TECHNOLOGY TO EVALUATE WHETHER**
5 **THE PROOF OF CONCEPT CAN BE SUCCESSFULLY DEPLOYED AND IS BENEFICIAL TO**
6 **THE STATE.**

7 **(C) (1) A COMPETITIVE PROOF OF CONCEPT PROCUREMENT MAY BE**
8 **CONDUCTED THROUGH THE ISSUANCE OF A SOLICITATION BY ANY METHOD OF**
9 **PROCUREMENT AUTHORIZED UNDER THIS DIVISION II.**

10 **(2) A COMPETITIVE PROOF OF CONCEPT PROCUREMENT**
11 **SOLICITATION SHALL INCLUDE A STATEMENT OF:**

12 **(I) THE SCOPE OF WORK OR PROJECT DESCRIPTION,**
13 **INCLUDING THE INTENDED USE, QUANTITY, ESTIMATED TIME FRAME FOR THE**
14 **PROOF OF CONCEPT, AND ANTICIPATED NUMBER OF PROOF OF CONCEPT AWARDS**
15 **THAT WILL BE MADE; AND**

16 **(II) THE FACTORS, INCLUDING PRICE, THAT WILL BE USED IN**
17 **EVALUATING PROPOSALS AND THE RELATIVE IMPORTANCE OF EACH.**

18 **(3) A SOLICITATION MAY BE DISTRIBUTED TO VENDORS KNOWN TO**
19 **OFFER GOODS OR SERVICES WITHIN THE SCOPE OF THE PROOF OF CONCEPT AND**
20 **SHALL, EXCEPT FOR PROCUREMENTS UNDER \$15,000 NOT OTHERWISE REQUIRED**
21 **BY LAW TO BE POSTED, BE POSTED ON eMARYLAND MARKETPLACE ADVANTAGE, IN**
22 **ACCORDANCE WITH THE POLICIES AND PROCEDURES UNDER SUBSECTION (G) OF**
23 **THIS SECTION.**

24 **(D) AFTER RECEIPT OF PROPOSALS BUT BEFORE AWARD OF A**
25 **PROCUREMENT CONTRACT, A UNIT MAY:**

26 **(1) CONDUCT DISCUSSIONS WITH AN OFFEROR TO ENSURE FULL**
27 **UNDERSTANDING OF:**

28 **(I) THE REQUIREMENTS OF THE UNIT, AS SET FORTH IN THE**
29 **REQUEST FOR PROPOSALS; AND**

30 **(II) THE PROPOSAL SUBMITTED BY THE OFFEROR; AND**

31 **(2) REQUEST PRODUCT SAMPLES FOR TESTING BY THE UNIT OR A**
32 **DEMONSTRATION OF A PRODUCT OR SERVICE AND USE THESE SAMPLES OR**
33 **DEMONSTRATIONS IN ITS EVALUATION PROCESS.**

1 (E) A REQUEST FOR PRODUCT SAMPLES FOR TESTING OR DEMONSTRATION
2 MADE UNDER SUBSECTION (D)(2) OF THIS SECTION SHALL BE ISSUED TO ALL
3 OFFERORS DEEMED REASONABLE AT THE TIME OF THE REQUEST.

4 (F) A UNIT MAY:

5 ~~(1) AWARD ONE OR MORE OF THE PROPOSALS A CONTRACT FOR THE~~
6 ~~PROOF OF CONCEPT; AND~~

7 ~~(2) PROVIDE AN OPTION FOR THE STATE TO PROCEED WITH A FULL~~
8 ~~IMPLEMENTATION OF AN AWARDED PROPOSAL.~~

9 (G) A VENDOR AWARDED A PROOF OF CONCEPT PROCUREMENT SHALL BE
10 ELIGIBLE TO BID ON A PROCUREMENT TO IMPLEMENT A PROPOSAL RELATED TO
11 THE PROOF OF CONCEPT PROCUREMENT.

12 (H) THE DEPARTMENT OF GENERAL SERVICES, IN CONSULTATION WITH
13 THE DEPARTMENT OF INFORMATION TECHNOLOGY, SHALL ADOPT POLICIES AND
14 PROCEDURES FOR THE DEVELOPMENT AND IMPLEMENTATION OF COMPETITIVE
15 PROOF OF CONCEPT PROCUREMENTS.

16 ~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1,~~
17 ~~2024, the Governor's Artificial Intelligence Subcabinet of the Governor's Executive Council,~~
18 ~~in consultation with the appropriate stakeholders, shall submit an interim report and~~
19 ~~recommendations to the Governor and, in accordance with § 2-1257 of the State~~
20 ~~Government Article, the General Assembly on the risks and opportunities and associated~~
21 ~~recommendations related to:~~

22 ~~(1) use of artificial intelligence to support job and business creation and~~
23 ~~growth in the State;~~

24 ~~(2) in collaboration with the Maryland Department of Labor and, as~~
25 ~~appropriate, external experts, workers, labor unions, businesses, and civil society, use of~~
26 ~~artificial intelligence by the State workforce, including opportunities to upskill the~~
27 ~~workforce;~~

28 ~~(3) in consultation with the Maryland Department of Emergency~~
29 ~~Management, the Public Service Commission, the Department of the Environment, and the~~
30 ~~Department of Transportation, use of artificial intelligence in critical infrastructure and~~
31 ~~guidelines for owners and operators to incorporate risk management into critical~~
32 ~~infrastructure, including mapping emergent cyber and physical security and resiliency~~
33 ~~risks to the State infrastructure and residents stemming from artificial intelligence;~~

~~(4) in consultation with the Maryland Department of Health, the U.S. Department of Veterans Affairs, and the U.S. Department of Homeland Security, use of systems that employ artificial intelligence in health care delivery and human services;~~

~~(5) in consultation with the Department of Information Technology Office of Security Management and the Chief Privacy Officer, use of artificial intelligence in the discovery and remediation of vulnerabilities in cybersecurity and data management across State and local government, including school systems;~~

~~(6) in consultation with the State Chief Privacy Officer and an independent contractor identified by the Subcabinet, data privacy, specifically regarding the potential to train systems that employ artificial intelligence;~~

~~(7) in consultation with the Maryland Department of Labor, the Department of Commerce, and the Governor's Office of Small, Minority, and Women Business Affairs, use of artificial intelligence in workforce training and hiring of talent with expertise in artificial intelligence, employment practices, and workforce development implications;~~

~~(8) in consultation with the Office of the Attorney General and the Judicial Branch, use of artificial intelligence in the criminal justice system, including whether and how such technology should be used, in what contexts, and with what safeguards;~~

~~(9) the procurement of systems that employ artificial intelligence, including efforts to increase competition and assurance that contracts retain sufficient data privacy protection against vendor lock-in;~~

~~(10) use of artificial intelligence by occupations licensed and certified by the State, in consultation with the boards, identifying ways for the regulatory board to identify and manage the risks of opportunities of artificial intelligence and determine appropriate permitted use and supervision by licensees; and~~

~~(11) use of artificial intelligence in local school systems, including recommendations to the State on the responsible and productive use of artificial intelligence based on a review of the federal Department of Education Office of Educational Technology's report entitled "Artificial Intelligence and the Future of Teaching and Learning: Insights and Recommendations", in collaboration with the State Department of Education.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Governor's Artificial Intelligence Subcabinet of the Governor's Executive Council, in consultation with the appropriate units of State government, shall:

(1) develop a roadmap to review the risks and opportunities associated with the use of artificial intelligence in State services; and

1 (2) on or before December 1, 2024, submit the roadmap to the Governor
2 and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

3 (b) The roadmap developed under subsection (a) of this section shall include:

4 (1) a plan to study the use of artificial intelligence:

5 (i) to support job and business creation and growth in the State;

6 (ii) by the State workforce, including opportunities to upskill the
7 workforce;

8 (iii) in critical infrastructure, including guidelines for owners and
9 operators to incorporate risk management into critical infrastructure;

10 (iv) in health care delivery and human services;

11 (v) in the discovery and remediation of vulnerabilities in
12 cybersecurity and data management across State and local government, including school
13 systems;

14 (vi) in data privacy, specifically regarding the ability to train systems
15 that employ artificial intelligence;

16 (vii) in workforce training;

17 (viii) in the criminal justice system and for public safety purposes,
18 including whether and how such technology should be used, in what contexts, and with
19 what safeguards;

20 (ix) by occupations licensed and certified by the State, including
21 identifying ways for State regulatory boards to identify and manage the risks and
22 opportunities of artificial intelligence and determine appropriate permitted use and
23 supervision of licensees;

24 (x) in local school systems, including recommendations to the State
25 on the responsible and productive use of artificial intelligence;

26 (xi) in the conduct of elections, including reducing or eliminating the
27 spread of misinformation; and

28 (xii) any other State service identified by the Subcabinet;

29 (2) a plan to study:

30 (i) the hiring of talent with expertise in artificial intelligence,
31 employment practices, and workforce development implications;

1 (ii) methods to ensure that there is diversity in contract awards and
 2 training programs related to artificial intelligence in the State, including racial diversity;
 3 and

4 (iii) the procurement of systems that employ artificial intelligence,
 5 including efforts to increase competition and assurance that contracts retain sufficient data
 6 privacy protection against vendor lock-in;

7 (3) a prioritization of the study topics listed under this subsection,
 8 including the methodology for the prioritization;

9 (4) a list of appropriate stakeholders identified to participate in each study
 10 topic; and

11 (5) the projected timeline to complete each study topic.

12 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1,
 13 2025, the Governor's Artificial Intelligence Subcabinet of the Governor's Executive Council
 14 shall submit a report and recommendations to the Governor and, in accordance with §
 15 2-1257 of the State Government Article, the General Assembly on the sufficiency of the
 16 Subcabinet to accomplish the artificial intelligence goals of the State and the efficacy of the
 17 potential transition of the Subcabinet to a department or independent unit of State
 18 government.

19 ~~SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General~~
 20 ~~Assembly that the Department of Information Technology:~~

21 ~~(1) evaluate the potential of artificial intelligence in creating a statewide~~
 22 ~~virtual 3-1-1 portal as a source for Maryland residents to obtain nonemergency~~
 23 ~~government information and services; and~~

24 ~~(2) if the Department determines that the use of artificial intelligence in~~
 25 ~~creating a virtual 3-1-1 portal is feasible, to prioritize the creation of a virtual 3-1-1 portal~~
 26 ~~through a competitive proof of concept procurement in accordance with § 13-116 of the~~
 27 ~~State Finance and Procurement Article, as enacted by Section 1 of this Act.~~

28 ~~SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the Maryland~~
 29 ~~*General Assembly, contingent on the passage of S.B. 955 or H.B. 1174 of the Acts of the*~~
 30 ~~*General Assembly of 2024 by both Houses of the General Assembly, that the Governor's*~~
 31 ~~*Artificial Intelligence Subcabinet consult with the Technology Advisory Commission*~~
 32 ~~*established under S.B. 955 or H.B. 1174 of the Acts of the General Assembly of 2024 in the*~~
 33 ~~*performance of its duties under Sections 1 and 2 of this Act.*~~

34 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
 35 July 1, 2024.