

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 589  
Judiciary

(Delegates Grammer and Arikan)

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Artificial Intelligence - Causing Injury or Death - Civil and Criminal Liability

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This bill establishes that a person who intentionally, knowingly, or negligently designs or creates artificial intelligence (AI) software with the capability of causing personal injury or death (1) is *strictly* liable for damages resulting from personal injury or death caused by the use of the software and (2) is subject to a civil penalty not to exceed the caps on noneconomic damages under § 3-2A-09 of the Courts and Judicial Proceedings Article (medical malpractice actions) if the use of the software causes personal injury or death. The bill also establishes criminal penalties for intentionally, knowingly, or negligently designing or creating AI software capable of causing personal injury or death.

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Fiscal Summary

**State Effect:** The bill is not expected to materially affect State finances or operations.

**Local Effect:** The bill is not expected to materially affect local finances or operations.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** Penalties for violations of the criminal prohibitions established by the bill vary depending on whether the violator intentionally, knowingly, or negligently designed or created AI software capable of causing personal injury or death. **Exhibit 1** illustrates the maximum penalties for the criminal offenses established by the bill.

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**Exhibit 1**  
**Penalties for Crimes Established by the Bill**

<u>Offense</u>	<u>Maximum Penalty</u>
Intentionally designing or creating AI software with the capability of causing personal injury or death	Felony 20 years imprisonment and/or \$100,000 fine
Knowingly designing or creating AI software with the capability of causing personal injury or death	Misdemeanor 10 years imprisonment and/or \$50,000 fine
Negligently designing or creating AI software with the capability of causing personal injury or death	Misdemeanor 5 years imprisonment and/or \$25,000 fine

AI: artificial intelligence

Source: Department of Legislative Services

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**Current Law:** Strict liability is liability imposed on an individual based on the commission of a particular act, regardless of the individual’s negligence or intent to do harm.

There is no cap on economic damages or punitive damages in Maryland. However, there are caps on noneconomic damages (often referred to as “pain and suffering” damages). Separate caps apply to noneconomic damages in medical malpractice cases and non-medical malpractice cases involving personal injury and wrongful death actions. The bill incorporates the caps on noneconomic damages in medical malpractice cases.

The caps on noneconomic damages that will be in effect on the bill’s October 1, 2025 effective date were set on January 1, 2025. As of January 1, 2025, Maryland’s cap for noneconomic damages in medical malpractice claims is \$905,000; the cap increases by \$15,000 on January 1 of each year. This cap applies in the aggregate to all claims for personal injury and wrongful death arising from the same medical injury, regardless of the number of claims, claimants, plaintiffs, beneficiaries, or defendants. However, the cap is 125% of that amount in wrongful death actions in which there are two or more claimants or beneficiaries, whether or not there is a personal injury action arising from the same medical injury and regardless of the number of claims, claimants, plaintiffs, beneficiaries,

or defendants. As of January 1, 2025, this cap is \$1,131,250. The cap for individual causes of action is based on the date of the incident.

**State Fiscal Effect:** The Office of the Public Defender (OPD) advises that the bill increases its workload in existing cases and may result in new cases. OPD estimates the increase is equivalent to one additional part-time felony attorney statewide. The Department of Legislative Services advises that while the bill *may* increase OPD workloads, OPD can likely accommodate any increased level of effort within existing budgeted resources.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed. For example, see HB 996 of 2023.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Commission on Criminal Sentencing Policy; Judiciary (Administrative Office of the Courts); Office of the Public Defender; Department of Public Safety and Correctional Services; Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2025  
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