

HOUSE BILL 314

K3

6lr1123

By: **Delegate Stewart**

Introduced and read first time: January 15, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Automation Technology Deployment Assessment and Displaced Employee**
3 **Retraining Fund – Established**

4 FOR the purpose of requiring certain employers to submit certain information to the
5 Secretary of Labor in a certain manner concerning the number of employees
6 employed, certain automation technology deployed or used, and certain employees
7 separated from employment during the immediately preceding calendar year;
8 requiring certain covered employers to pay a certain assessment for each displaced
9 employee reported by the covered employer; establishing the Displaced Employee
10 Retraining Fund as a special, nonlapsing fund to support the retraining of certain
11 individuals; and generally relating to an assessment for displacing employees due to
12 deploying or using automation technology.

13 BY adding to

14 Article – Labor and Employment

15 Section 11–1801 through 11–1807 to be under the new subtitle “Subtitle 18.
16 Automation Technology Deployment Assessment”

17 Annotated Code of Maryland

18 (2025 Replacement Volume)

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

21 **Article – Labor and Employment**

22 **SUBTITLE 18. AUTOMATION TECHNOLOGY DEPLOYMENT ASSESSMENT.**

23 **11–1801.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

(B) "AUTOMATION TECHNOLOGY" MEANS ARTIFICIAL INTELLIGENCE, MACHINE LEARNING SYSTEMS, ROBOTICS, OR OTHER ADVANCED TECHNOLOGIES IMPLEMENTED WITH THE PRIMARY PURPOSE OR SUBSTANTIAL EFFECT OF REPLACING HUMAN LABOR.

(C) "COVERED EMPLOYER" MEANS AN EMPLOYER THAT, DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR:

(1) EMPLOYED 100 OR MORE EMPLOYEES IN THE STATE; AND

(2) REDUCED ITS WORKFORCE IN THE STATE BY AT LEAST 10 EMPLOYEES WHILE DEPLOYING OR USING AUTOMATION TECHNOLOGY THAT CONTRIBUTED TO THE REDUCTION.

(D) "DISPLACED EMPLOYEE" MEANS A FORMER EMPLOYEE OF A COVERED EMPLOYER IN THE STATE WHO WAS SEPARATED FROM EMPLOYMENT DUE TO THE DEPLOYMENT OR USE OF AUTOMATION TECHNOLOGY BY THE COVERED EMPLOYER.

(E) "EMPLOYEE" MEANS AN INDIVIDUAL EMPLOYED FULL-TIME OR PART-TIME DIRECTLY BY AN EMPLOYER.

(F) "EMPLOYER" MEANS A PERSON WHO EMPLOYS AT LEAST ONE INDIVIDUAL IN THE STATE.

(G) "SECRETARY" MEANS THE SECRETARY OF LABOR.

11-1802.

(A) ON OR BEFORE JANUARY 15 EACH YEAR, BEGINNING IN 2028, EACH COVERED EMPLOYER SHALL SUBMIT ON A FORM AND IN A MANNER APPROVED BY THE SECRETARY:

(1) THE NUMBER OF EMPLOYEES OF THE COVERED EMPLOYER IN THE STATE ON THE FIRST AND LAST DAYS OF THE IMMEDIATELY PRECEDING PREVIOUS CALENDAR YEAR;

(2) A DESCRIPTION OF AUTOMATION TECHNOLOGIES DEPLOYED OR USED BY THE COVERED EMPLOYER DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR; AND

1 **(3) THE NUMBER OF DISPLACED EMPLOYEES DURING THE**
2 **IMMEDIATELY PRECEDING CALENDAR YEAR, EXCLUDING INDIVIDUALS SEPARATED**
3 **FROM EMPLOYMENT DUE TO:**

4 **(I) VOLUNTARY ATTRITION OR RETIREMENT;**

5 **(II) A DECLINE IN REVENUE EXCEEDING 20% THAT WAS NOT**
6 **RELATED TO THE DEPLOYMENT OR USE OF AUTOMATED TECHNOLOGY; OR**

7 **(III) THE CLOSURE OR RELOCATION OF AN ENTIRE FACILITY IN**
8 **THE STATE.**

9 **(B) THE SECRETARY SHALL ADOPT REGULATIONS THAT SPECIFY THE**
10 **INFORMATION THAT A COVERED EMPLOYER IS REQUIRED TO SUBMIT UNDER**
11 **SUBSECTION (A) OF THIS SECTION.**

12 **(C) THE INFORMATION SUBMITTED UNDER SUBSECTION (A) OF THIS**
13 **SECTION SHALL BE INCLUDED IN A REPORT:**

14 **(1) SIGNED BY THE PRINCIPAL EXECUTIVE OFFICER OR AN**
15 **INDIVIDUAL PERFORMING A SIMILAR FUNCTION; AND**

16 **(2) THAT INCLUDES AN AFFIDAVIT UNDER PENALTY OF PERJURY**
17 **THAT THE INFORMATION SUBMITTED UNDER SUBSECTION (A) OF THIS SECTION:**

18 **(I) WAS REVIEWED BY THE SIGNING OFFICER; AND**

19 **(II) IS TRUE TO THE BEST OF THE SIGNING OFFICER'S**
20 **KNOWLEDGE, INFORMATION, AND BELIEF.**

21 **11-1803.**

22 **(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND**
23 **SUBSECTION (B) OF THIS SECTION, A COVERED EMPLOYER SHALL PAY TO THE**
24 **SECRETARY AN AMOUNT EQUAL TO \$900 FOR EACH DISPLACED EMPLOYEE**
25 **REPORTED UNDER § 11-1802(A)(3) OF THIS SUBTITLE.**

26 **(2) THE SECRETARY SHALL ANNUALLY ADJUST THE AMOUNT**
27 **ASSESSED FOR EACH DISPLACED EMPLOYEE BY INFLATION, ROUNDED TO THE**
28 **NEAREST WHOLE DOLLAR, BASED ON AN APPROPRIATE INDEX SPECIFIED BY THE**
29 **SECRETARY IN REGULATION.**

(B) A COVERED EMPLOYER MAY REDUCE THE PAYMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION BY 50% WITH RESPECT TO A DISPLACED EMPLOYEE FOR WHOM THE EMPLOYER:

(1) PROVIDED AT LEAST 12 WEEKS OF SEVERANCE PAY;

(2) OFFERED CERTIFIED RETRAINING OR REDEPLOYMENT OPPORTUNITIES; OR

(3) SUCCESSFULLY PLACED WITH ANOTHER EMPLOYER WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THE STATE AND THAT, DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, EMPLOYED FEWER THAN 50 EMPLOYEES IN THE STATE.

(C) A COVERED EMPLOYER SHALL MAKE THE PAYMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION TO THE SECRETARY WITH THE SUBMISSION OF THE INFORMATION REQUIRED UNDER § 11-1802 OF THIS SUBTITLE.

(D) THE SECRETARY SHALL REMIT AMOUNTS PAID IN ACCORDANCE WITH THIS SECTION TO THE DISPLACED EMPLOYEE RETRAINING FUND ESTABLISHED UNDER § 11-1805 OF THIS SUBTITLE.

11-1804.

(A) THE SECRETARY SHALL ASSESS A CIVIL PENALTY OF \$250 AGAINST A COVERED EMPLOYER FOR EACH DAY THE COVERED EMPLOYER FAILS TO TIMELY FILE A REPORT UNDER § 11-1802 OF THIS SUBTITLE.

(B) THE SECRETARY SHALL ASSESS A CIVIL PENALTY OF \$250,000 AGAINST A COVERED EMPLOYER THAT FAILS TO MAKE THE PAYMENT REQUIRED UNDER § 11-1803 OF THIS SUBTITLE.

11-1805.

(A) IN THIS SECTION, "FUND" MEANS THE DISPLACED EMPLOYEE RETRAINING FUND.

(B) THERE IS A DISPLACED EMPLOYEE RETRAINING FUND.

(C) THE PURPOSE OF THE FUND IS TO SUPPORT THE RETRAINING OF INDIVIDUALS WHO HAVE BEEN SEPARATED FROM EMPLOYMENT DUE TO THE DEPLOYMENT OR USE OF AUTOMATION TECHNOLOGY.

1 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

2 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
3 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

4 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
5 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

6 (F) THE FUND CONSISTS OF:

7 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 11-1803 OF THIS
8 SUBTITLE;

9 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

10 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
11 THE BENEFIT OF THE FUND.

12 (G) THE FUND MAY BE USED ONLY FOR SUPPORTING TRAINING, JOB
13 PLACEMENT, AND SERVICE PROGRAMS UNDER THIS TITLE.

14 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
15 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

16 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
17 THE GENERAL FUND OF THE STATE.

18 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
19 WITH THE STATE BUDGET.

20 (J) MONEY EXPENDED FROM THE FUND FOR SUPPORTING TRAINING, JOB
21 PLACEMENT, AND SERVICE PROGRAMS UNDER THIS TITLE IS SUPPLEMENTAL TO
22 AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD
23 BE APPROPRIATED FOR TRAINING, JOB PLACEMENT, AND SERVICE PROGRAMS
24 UNDER THIS TITLE.

25 11-1806.

26 ON OR BEFORE MARCH 15 EACH YEAR, THE SECRETARY SHALL REPORT TO
27 THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
28 ARTICLE, THE GENERAL ASSEMBLY ON:

1 **(1) THE NUMBER OF EMPLOYERS THAT, DURING THE IMMEDIATELY**
2 **PRECEDING CALENDAR YEAR, EMPLOYED AT LEAST 100 EMPLOYEES IN THE STATE;**

3 **(2) THE NUMBER OF COVERED EMPLOYERS DURING THE**
4 **IMMEDIATELY PRECEDING CALENDAR YEAR;**

5 **(3) THE NUMBER OF DISPLACED EMPLOYEES REPORTED IN**
6 **ACCORDANCE WITH § 11-1802 OF THIS SUBTITLE FOR THE IMMEDIATELY**
7 **PRECEDING CALENDAR YEAR;**

8 **(4) THE TOTAL AMOUNTS PAID IN ACCORDANCE WITH § 11-1803 OF**
9 **THIS SUBTITLE DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR; AND**

10 **(5) ANY POLICY RECOMMENDATIONS TO SUPPORT DISPLACED**
11 **EMPLOYEES.**

12 **11-1807.**

13 **THE SECRETARY SHALL:**

14 **(1) ON AN ANNUAL BASIS, BASED ON THE INFORMATION REPORTED**
15 **UNDER § 11-1802(A) OF THIS SUBTITLE:**

16 **(I) VERIFY WHICH EMPLOYERS HAVE 100 OR MORE**
17 **EMPLOYEES IN THE STATE; AND**

18 **(II) ENSURE THAT ALL EMPLOYERS WITH 100 OR MORE**
19 **EMPLOYEES IN THE STATE HAVE MADE THE REPORT REQUIRED UNDER § 11-1802**
20 **OF THIS SUBTITLE; AND**

21 **(2) ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.**

22 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**
23 **1, 2026.**