FAVORABLE WITH AMENDMENTS

TESTIMONY PRESENTED TO THE HEALTH
AND GOVERNMENT OPERATIONS
COMMITTEE

SENATE BILL 818
Information Technology - Artificial Intelligence - Policies and
Procedures (Artificial Intelligence Governance Act of 2024)

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POSITION: FWA

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Chair Pena-Melnyk, Vice Chair Cullison , and Members of this Committee, thank you for the opportunity to submit testimony in support of Senate Bill 818 with amendments.

The Cybersecurity Association of Maryland, Inc. ("CAMI") supports SB 818 with some amendments. CAMI is a statewide, 501(c)(6) nonprofit organization established in 2015, created to drive the growth of Maryland's cybersecurity industry. Our membership includes over 600 firms ranging in size from Fortune 500 companies to solo owner operators and represents nearly 100,000 Maryland employees.

The Artificial Intelligence Governance Act of 2024 is a Maryland state bill that codifies the 2024 Executive Order on artificial intelligence (AI) and is designed to regulate how state government agencies use AI.

We are particularly supportive of the following provisions.

- **Annual Inventories**: Each state government unit will be required to compile an annual inventory their data, and the AI systems they use. Having a comprehensive list of all data assets will enable each unit to locate and categorize sensitive information. This is crucial for prioritizing security efforts and implementing appropriate safeguards depending on the data's sensitivity.
- **Impact Assessments:** State government units are now required to conduct an "impact assessment" for certain AI systems. This will aid units in maintaining security guardrails and flag systems that don't properly maintain data security. We support this concept particularly when the definitions of such systems are properly established.
- **AI Policies:** The Department of Information Technology will be responsible for creating guidelines for how state government units develop, buy, put into use, and evaluate AI systems. This will provide all units of government, regardless of size and sophistication,

> with the necessary guardrails for deploying AI solutions with cybersecurity in mind.
> - **Competitive Proof of Concept Procurement:** The bill outlines new rules for a procurement method called "competitive proof of concept." This method will give government agencies access to cutting-edge AI products and services through a competitive process.

However, CAMI has some concerns with the bill in its current form and respectfully asks the Committee to consider amendments addressing these concerns directly.

As currently drafted, the bill defines various types of artificial intelligence directly into statute – definitions which would inadvertently make it harder for the state to work collaboratively with the private sector to develop AI products and services which can best serve all Marylanders. This is especially challenging in a moment when national standards and best practices around certain AI definitions are still evolving, and widely-accepted language around concepts such as "safety-impacting" and "rights-impacting" AI specifically do not exist.

Instead, CAMI supports the empowering DoIT and its team of in-house IT and AI experts through this legislation to establish critical AI definitions around what can be deemed "high-risk" AI, with the concepts of "safety-impacting" and "rights-impacting" incorporated into that definitional deliberation.

This bill is significant because it highlights the growing use of AI by state governments, and sets standards for its responsible implementation, including the necessary data security provisions. Maryland is taking proactive steps to ensure that artificial intelligence is used in a way that is beneficial to its citizens and not harmful.