



House Bill 823

Date: February 18, 2025
Committee: Economic Matters
Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

House Bill 823 (HB 823) would require developers that release or substantially modify a generative artificial intelligence (AI) system to subsequently post on the developer's website specified information detailing the data and datasets used to train the generative AI system.

The Maryland Chamber is concerned that HB 823 disincentivizes the development of new technology that would benefit every Marylander, exposes proprietary information, and departs from emerging U.S. and global transparency standards. Further, HB 823 would establish unclear definitions, create substantial confidentiality risks for developers' clients, and ultimately limit innovation.

HB 823 exempts certain AI systems from the reporting requirement, but by utilizing the phrase "made exclusively for" on page 3, line 19, HB 823 would still create situations where information is required to be reported on AI systems that are utilized for the exempted reasons in the bill but were not "made exclusively for" the exempted reasons. Further, requiring proprietary information to be published online whenever an AI system is released or substantially modified could create security risks for confidential information.

The Maryland Chamber is unaware of any other state in the country that has required the level of public disclosure contemplated by HB 823. As such, we are concerned that HB 823 would disincentivize investment within Maryland's AI industry, make it less likely for AI systems to be utilized in the State, and ultimately restrict a burgeoning industry at a time when Maryland needs more economic growth. **For these reasons, the Maryland Chamber respectfully requests an unfavorable report on HB 823.**