House Bill 1331

Position: Unfavorable
Committee: Economic Matters
Date: March 4, 2025

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 1331 (HB 1331) would make Maryland the first state in the country to implement overarching regulations targeted at AI developers and businesses that deploy AI to make legal or "similarly significant" decisions. While Colorado has passed legislation on this subject, the law has yet to be implemented, and numerous changes are being considered due to identified challenges with the law and recommendations from the workgroup that Colorado established.

The Maryland Chamber has significant concerns with HB 1331, which include, but are not limited to, definitions, disclosure requirements, impact assessment requirements, enforcement mechanisms, and the private right of action created by HB 1331. The established requirements and assumed liability under the bill would unintentionally stifle innovation and place Maryland businesses in an uncompetitive posture compared to our neighboring states.

AI, machine learning, and the algorithms that support AI have already changed many lives and business operations for the better. As such, the Maryland Chamber is concerned that HB 1331 will make Maryland an outlier amongst states and unintentionally stifle innovation at a time when the State needs more business creation and job growth. The concerns regarding stifled innovation were recently echoed by representatives of Connecticut's Governor, who recently publicly requested that their state's legislature **not** move forward with a bill similar to HB 1331.

The Maryland Chamber's members are committed to responsible AI development and use. Earlier this session, we supported House Bill 956, which would establish the Workgroup on Artificial Intelligence (AI) Implementation to monitor issues and make recommendations related to AI. The Maryland Chamber believes a workgroup is the most appropriate first approach that brings stakeholders and policymakers together to ensure that Maryland's AI regulatory framework is sound and sufficient to establish protections without unintentionally stifling innovation. **For these reasons, the Maryland Chamber respectfully requests an unfavorable report on HB 1331.**