



February 28, 2025

The Honorable C.T. Wilson  
Chair, House Economic Matters Committee  
Maryland House of Delegates  
230 Taylor House Office Building  
Annapolis, Maryland 21401

**RE: Maryland House Bill 1331 – Developers and Deployers of Artificial Intelligence  
Systems  
Position: Unfavorable**

Dear Chair Wilson:

Alliance for Automotive Innovation appreciates the opportunity to provide feedback on House Bill 1331 on developers and deployers of artificial intelligence systems. The automotive industry shares the goal of protecting consumers from algorithmic discrimination while continuing to promote innovation.

Alliance for Automotive Innovation represents the full automotive industry, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer, and smarter transportation future and to ensure a healthy and competitive auto industry that supports U.S. economic and national security. Representing approximately 5 percent of the country's GDP, responsible for supporting 10 million jobs, and driving \$1.2 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector.

The automotive industry leverages the power of artificial intelligence to integrate driver support features, advanced safety technologies, and automated driving systems into consumer vehicles. For example, artificial intelligence helps vehicle safety systems understand camera and sensor data, which enables safety features like emergency braking. These and other technological advances have the potential to improve roadway safety, increase traffic efficiency, reduce serious injuries and deaths, and help protect all road users. For these reasons, the automotive industry supports policies that seek to encourage the responsible development and deployment of artificial intelligence technologies.

However, as introduced, House Bill 1331 raises several challenges. To provide a workable framework that meets the objectives of protecting consumers from algorithmic discrimination, fostering innovation, and providing regulatory interoperability for businesses, Alliance for Automotive Innovation recommends the following changes:

## Definitions

- Add definition of “substantial factor” to clarify that high-risk artificial intelligence systems subject to regulatory oversight means factors that have a significant impact on final decisions that produce legal or similarly significant effects concerning the consumer.

**Proposed definition:** *‘Substantial factor’ means a factor that (i) is the actual cause of a decision that produces legal or similarly significant effects concerning the consumer, (ii) can alter the outcome of a decision that produces legal or similarly significant effects concerning the consumer, and (iii) is generated by a high-risk artificial intelligence system.*

## Operational Provisions

- Remove references to “misuse” in §14-5002 (C)(3)(I) and (C)(8). Removal would provide regulatory interoperability for affected entities subject to similar laws in other jurisdictions.

**Proposed modification to §14-5002 (C)(3)(I):** *“Uses of the high-risk artificial intelligence system and the risks of algorithmic discrimination arising from them; and”*

**Proposed modification to §14-5002 (C)(8):** *Best practices for the intended use and monitoring of a high-risk artificial intelligence system;”*

- Modify §14-5002 (E)(3)(II) to specify that developers must update the required documentation no later than 90 days after an intentional or substantial modification to the high-risk artificial intelligence system to ensure that updates are only required when changes result in new reasonably foreseeable risks of algorithmic discrimination.

**Proposed modification to §14-5002 (E)(3)(II):** *“Not later than 90 days after the developer intentionally and substantially modifies a high-risk artificial intelligence system that results in new reasonably foreseeable risks of algorithmic discrimination.”*

- Specify in §14-5002 (F) that (1) the high-risk artificial intelligence system has to be deployed, (2) the high-risk artificial intelligence system has caused algorithmic discrimination, and (3) a credible report must come from a deployer to align with similar requirements in other jurisdictions.

**Proposed change to §14-5002 (F):** *“A developer that learns through ongoing internal testing, or through a credible report from a deployer, that a high-risk artificial intelligence system has been deployed and has caused algorithmic discrimination to:”*

- Alter §14-5004 (A)(5)(I) to specify that deployers provide consumers with the opportunity to correct data processed by a high-risk artificial intelligence system in making, or as a substantial factor in making, a decision that produces legal or similarly significant effects concerning the consumer, not just any decision.

***Proposed modification to §14-5004 (A)(5)(I):*** “Correct any incorrect data processed by the high-risk artificial intelligence system in making, or as a substantial factor in making, a decision that produces legal or similarly significant effects concerning the consumer; and”

- Change §14-5004 (A)(5)(II) to clarify that a consumer can appeal an adverse decision, including human review of the decision, if technically feasible, because human review is not possible in all cases.

***Proposed modification to §14-5004 (A)(5)(II):*** Appeal an adverse decision that produces legal or similarly significant effects concerning the consumer arising from the deployment of a high-risk artificial intelligence system, including human review of the decision, if technically feasible;”

- Revise §14-5005 (1) to tie consumer disclosures to the deployment of high-risk artificial intelligence systems to make, or be substantial factors in making, decisions that produce legal or similar significant effects concerning consumers.

***Proposed change to §14-5005 (1):*** “Notify a consumer subject to the high-risk artificial intelligence system that a high-risk artificial intelligence system has been deployed to make, or be a substantial factor in making, a decision that produces legal or similarly significant effects concerning the consumer;”

- Clarify in §14-5005 (2) that the consumer disclosure must disclose the nature of a decision that produces legal or similarly significant effects concerning the consumer.

***Proposed revision to §14-5005 (2):*** “Disclose the purpose of the high-risk artificial intelligence system, including the nature of the decision that produces legal or similarly significant effects concerning the consumer;”

- Remove references to “contribute to making” or “contributing to making” in §14-5005 (6), (7), and (9) and replace with “substantial factor in making” to ensure consistency throughout the bill. Also change “decision” to “decision that produces legal and similarly significant effects concerning the consumer” in §14-5005 (6), (7), (8), and (9).

**Proposed change to §14-5005 (6):** *“Disclose the decision that produces legal or similarly significant effects concerning the consumer that the high-risk artificial intelligence system is deployed to make, or be a substantial factor in, making;”*

**Proposed change to §14-5005 (7):** *“Disclose the reason for the decision that produces legal or similarly significant effects concerning the consumer that the high-risk artificial intelligence system is deployed to make, or be a substantial factor in, making;”*

**Proposed change to §14-5005 (8):** *Disclose the degree to which the high-risk artificial intelligence system makes or is a substantial factor in making the decision that produces a legal or similarly significant effects concerning the consumer disclosed under Item (6) of this section;”*

**Proposed change to §14-5005 (9):** *Disclose the data that the high-risk artificial intelligence system processes in making, or being a substantial factor in, making the decision that produces legal or similarly significant effects concerning the consumer and its source;”*

- Specify in §14-5005 (12) that deployers must make the required consumer disclosures available in the languages in which they ordinarily conduct business.

**Proposed revision to §14-5005 (12):** *“Be made available in each language that the deployer, in the ordinary course of their business, provides contracts, disclaimers, sale announcements, and other information provided to consumers; and”*

## **Enforcement**

- Expand the rebuttable presumption available to deployers in §14-5007 (B) to include compliance with the impact assessment and consumer disclosure requirements in §14-5004, §14-5005, and §14-5006. This would align with rebuttable presumptions of compliance available under similar laws.

**Proposed revision to §14-5007 (B)(1):** *“§14-5003, §14-5004, §14-5005, and §14-5006 of this subtitle; and”*

- Remove §14-5008 (B). Having a private right of action in such a complicated and evolving space would chill innovation. Consumers remain protected because the Attorney General retains enforcement authority under the bill. In addition, consumers can pursue other theories of liability based on common law and statutes (e.g., product liability, consumer protection, etc.), as well as submit complaints to the Attorney General.

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The responsible development and deployment of artificial intelligence systems remains critically important to Auto Innovators and its member companies. We appreciate the opportunity to provide this feedback and input and look forward to continuing to work with you on this important topic.

Thank you for your consideration of our position. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Fisher". The signature is fluid and cursive, with the first name "Josh" and last name "Fisher" clearly distinguishable.

Josh Fisher  
Senior Director  
Alliance for Automotive Innovation