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SB 936 - Consumer Protection - Artificial Intelligence
House Economic Matters Committee
March 4, 2025

SUPPORT with AMENDMENTS

Donna S. Edwards
President
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Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of HB 1331 if amended. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

HB 1331 aims to create guardrails around the development and deployment of high-risk artificial intelligence (AI) systems to ensure fair and equitable decision-making. We support the provisions of the bill that enhance transparency as it provides individuals with a deeper understanding of the impacts of these types of systems. We applaud the sponsor's work to mitigate associated risks.

Strong AI legislation should include:

- Strong protections for both workers and consumers against discrimination and bias
- Transparency so workers and consumers know when and how companies use AI to make key decisions about them
- Broad definitions of covered systems to ensure accountability
- Ensure that consumer protections include workers and end users
- Include provisions for state governments as employers and deployers of AI
- Strong, loophole-free accountability and enforcement
- Liability provisions to incentivize upstream technology development
- Mandatory consultation with workers and their unions when employers deploy AI

However, HB 1331 has several missing provisions including adequate worker protections, comprehensive definitions, measures to close loopholes that undermine accountability, and strong enforcement mechanisms.

As the AI industry continues to evolve, it is critical that we implement strong protections that close these gaps and do not allow companies to opt out of complying with the law. To address these concerns, we propose the following amendments:

On pg. 2, insert:

>   (B)   **"CONSUMER" MEANS AN INDIVIDUAL WHO:**
>
>   **(I) IS A RESIDENT OF THE STATE**
>
>   **(II) IS AN EMPLOYEE AS DEFINED IN § 3-1001 OF THE LABOR AND EMPLOYMENT ARTICLE**
>
>   **(III) IS EMPLOYED BY A BUSINESS IN THE STATE**

On pg. 3, in line 19 after "title" insert:

"AND INCLUDING INSURANCE OR ACCESS TO GOVERNMENT BENEFITS"

On pg. 3, after (G), insert:

"(H) "SUBSTANTIAL FACTOR" INCLUDES ANY USE OF AN ARTIFICIAL INTELLIGENCE SYSTEM TO GENERATE ANY CONTENT, DECISION, PREDICTION, OR RECOMMENDATION CONCERNING A CONSUMER THAT IS USED AS A BASIS OR PARTIAL BASIS IN MAKING A DECISION"

On pg. 6, in line one, **remove "AS NECESSARY," and replace with:**

"AT LEAST ONCE EVERY YEAR"

On pg. 6, **strike lines 16-22**

On pg. 6, in line 23, **replace "MAY" with "SHALL"**

On pg. 7, **strike lines 17-28**

On page 8, under line 5 (section 14-5004), insert:

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

(B) **"IMPACT ASSESSMENT" MEANS AN IMPARTIAL EVALUATION BY AN INDEPENDENT AUDITOR**

(C)(1)"INDEPENDENT AUDITOR" MEANS A PERSON OR THIRD-PARTY ENTITY THAT CONDUCTS AN IMPACT ASSESSMENT OF AN ARTIFICIAL INTELLIGENCE SYSTEM TASKED WITH MAKING A DECISION THAT PRODUCES LEGAL OR SIMILARLY SIGNIFICANT EFFECTS CONCERNING THE CONSUMER AS DEFINED IN § 14-4701 INCLUDING INSURANCE OR ACCESS TO GOVERNMENT BENEFITS"

(2) "INDEPENDENT AUDITOR" DOES NOT INCLUDE

(I) A PERSON CURRENTLY OR AT ANY POINT IN THE 5 YEARS PRECEDING THE IMPACT ASSESSMENT

(a) ARE OR WERE INVOLVED IN USING, DEVELOPING, OFFERING, LICENSING, OR DEPLOYING THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;

(b) HAVE OR HAD AN EMPLOYMENT RELATIONSHIP WITH A DEVELOPER OR DEPLOYER THAT USES, OFFERS, OR LICENSES THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM; OR

(c) HAVE OR HAD A DIRECT FINANCIAL INTEREST OR MATERIAL INDIRECT FINANCIAL INTEREST IN A DEVELOPER OR DEPLOYER THAT USES, OFFERS, OR LICENSES THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM"

On pg. 8, line 11, **replace "3" with "5"**

On pg. 9, **strike lines 8-27**

On pg. 11, under line 4 (A), insert:

"(1) BY AN INDEPENDENT AUDITOR AS DEFINED IN 14-5004"

On pg. 11, in line 6, **remove "AFTER" and replace with "BEFORE"**

On pg. 12, **strike lines 21-29**

On pg. 13, **strike line 1**

On pg. 13, **replace "MAY" with "SHALL"**

On pg. 13, **strike lines 6-9**

On pg. 13, in line 22, **remove "EXCEPT FOR § 13-408 OF THIS ARTICLE"**

On pg. 14, **strike lines 1-9 and replace with:**

"DIGITAL COPY" MEANS A NEWLY CREATED, COMPUTER-GENERATED, HIGHLY REALISTIC ELECTRONIC REPRESENTATION THAT IS READILY IDENTIFIABLE AS THE VOICE OR LIKENESS OF AN INDIVIDUAL THAT:

(A) IS EMBODIED IN A SOUND RECORDING, IMAGE, AUDIOVISUAL WORK, INCLUDING AN AUDIOVISUAL WORK THAT DOES NOT HAVE ANY ACCOMPANYING SOUNDS, OR TRANSMISSION;

(i) IN WHICH THE INDIVIDUAL DID NOT ACTUALLY PERFORM OR APPEAR; OR

(ii) THAT IS A VERSION OF A SOUND RECORDING, IMAGE, OR AUDIOVISUAL WORK IN WHICH THE ACTUAL INDIVIDUAL DID PERFORM, APPEAR, IN WHICH THE FUNDAMENTAL CHARACTER OF THE PERFORMANCE OR APPEARANCE HAS BEEN MATERIALLY ALTERED."