The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State's life sciences and technology communities into a united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of opposition to House Bill 823.

House Bill 823 requires that each time a developer releases or substantially modifies a generative artificial intelligence (AI) system, the developer of the generative AI system shall post online details about the data and datasets used to train the generative AI system.

The MTC and its members are concerned about the potential of this legislation to substantially curtail AI innovation and development in Maryland. We believe that Maryland's economy, with a solid foundation of innovation and research, is well-positioned to take advantage of the boom that is currently underway in AI development. This proposal, however, risks slowing down that investment and potentially forcing companies to expose proprietary data sources or trade secrets. The uncertainty of these requirements harms Maryland's reputation as a place to invest in innovation.

This requirement could be particularly harmful for start-ups and smaller firms, which may rely on unique dataset sourcing to compete with larger tech companies. Instead, such companies may depend on generic, widely available datasets instead of investing in unique, high-quality ones. This could slow progress on any number of unique use cases for AI technology. We are also concerned that compliance with this requirement will be costly and burdensome, another disadvantage for smaller companies and start-ups. As drafted, the bill implies that extensive and detailed information will be required on a potentially vast number of datasets.

The MTC supports transparency in the development and deployment of AI. We encourage the General Assembly to further deliberate on a more balanced regulatory approach to transparency and AI. As this particular proposal is overly burdensome and potentially chilling on innovation, we respectfully request an unfavorable report.

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