Testimony to the Economic Matters Committee
HB1331 - Consumer Protection – Artificial Intelligence
Position: Favorable With Amendments

3/4/2025
The Honorable Delegate Wilson, Chair
Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401

Chair Wilson and Honorable Members of the Committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland Fund provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are writing today to urge your support of HB1331, which establishes guardrails on the development and use of artificial intelligence to protect Marylanders from discrimination, but with the amendments recommended by the Attorney General's Consumer Protection Division.

The prospects and perils of artificial intelligence are becoming more and more complex with each passing day. On one hand, it can be incredibly useful for innovating new technology, medicines, and enhancing productivity. On the other hand, its use can have unintended consequences due to AI's learned bias. Bias in AI is not just a technical issue but a societal challenge, as implicit biases can be embedded in AI systems through data collection, model training, and deployment. To ensure fairness and prevent discrimination in critical areas like healthcare, hiring, and law enforcement, we must actively mitigate bias by regulating these products and maintaining continuous human oversight.

AI bias can impact major life outcomes, from loan approvals to medical care. As generative AI tools become more mainstream, these biases persist in applications ranging from chatbots to search engines. This has real-world consequences, such as [tenant screening software that determines single mothers to be unfit tenants,](#) or flawed virtual proctoring software that [disproportionately penalizes students of color and those with disabilities.](#)

Addressing AI bias requires more than trusting technology to self-correct. Without oversight, AI tools integrated into critical sectors may perpetuate harmful biases with little accountability. As AI becomes more embedded in daily life, recognizing and mitigating bias is essential to ensure fairness and prevent discrimination. For these reasons, we support HB1331 with the following amendments proposed/outlined by the Attorney General's Office:

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Line Amendments

p. 12, line 21 – p. 13, line 1: These lines should be deleted. A rebuttable presumption delays consumer relief and duplicates the work necessary to prosecute alleged algorithmic discrimination.

p. 6, line 18 and p. 13, lines 6-9: These lines should be deleted. A business should not be allowed to evade investigations by claiming their processes and information are "trade secrets."

Thank you,

Zoe Gallagher
Policy Associate

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