



February 25, 2025

The Honorable Pam Beidle
Chair, Senate Finance Committee
Maryland Senate
Annapolis, Maryland 21401

RE: Maryland Senate Bill 936 – High-Risk Artificial Intelligence Developer Act
Position: Unfavorable

Chair Beidle:

Alliance for Automotive Innovation¹ appreciates the opportunity to provide feedback on Senate Bill 936, the High-Risk Artificial Intelligence Developer Act. The automotive industry shares the goal of protecting consumers from algorithmic discrimination while embracing the strengths of artificial intelligence.

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, SB 936 raises several challenges. To provide a workable framework that meets the objectives of protecting consumers from algorithmic discrimination, fostering innovation,

¹ From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer and smarter personal transportation future.
www.autosinnovate.org.

and providing regulatory interoperability for businesses, Alliance for Automotive Innovation recommends the following changes:

Definitions

- Revise definition of “consequential decision” to remove references to “access,” which is not defined and not included in similar laws like in Colorado.

Proposed revision to §14-47A-01 (D): “‘Consequential decision’ means a decision that has a material legal or similarly significant effect on the provision or denial to any consumer of: (1) parole, probation, a pardon, or any other release from incarceration or court supervision; (2) education enrollment or education opportunity; (3) financial or lending services; (4) health care services; (5) housing; (6) insurance; (7) marital status; or (8) legal service.”

- Revise definition of “substantial factor” to ensure that high-risk artificial intelligence systems subject to regulatory oversight are factors that have a significant impact on the final consequential decision.

Proposed revision to §14-47A-01 (O)(1): “‘Substantial factor’ means a factor generated by an artificial intelligence system that is: (I) the principal basis for making a consequential decision; and (II) capable of altering the outcome of the consequential decision.”

Operational Provisions

- Add language to §14-47A-04 to provide that if a deployer completes an impact assessment in accordance with another applicable law or regulation, then it shall satisfy this bill’s requirements.

Proposed addition: “If a deployer completes an impact assessment for the purpose of complying with another applicable law or regulation, then the impact assessment satisfies the requirements established in this section if the impact assessment is reasonably similar in scope and effect to the impact assessment that would otherwise be completed pursuant to this section.”

- Modify language in §14-47A-05 (B) to specify that evidentiary privilege is available to developers, deployers, and other persons under both federal and state laws.

Proposed modification to §14-47A-05 (B): “The obligations imposed on developers, deployers, or other persons under this subtitle may not apply when compliance by the developer, deployer, or other person would violate an evidentiary privilege under federal law or the laws of the state.”

Enforcement

- Specify in §14-47A-07 that developers and deployers have a minimum of 60 days to cure potential violations before the Attorney General brings an action. The proposed 45-day time period is too short.

Proposed change to §14-47A-07 (C)(2): “If it is possible to cure the violation, the Attorney General may issue a notice of violation to the developer or deployer and afford the developer or deployer the opportunity to cure the violation within 60 days after the receipt of the notice of violation.

Proposed change to §14-47A-07 (C)(4): “If a developer or deployer fails to cure a violation within 60 days after the receipt of a notice of violation under paragraph (3) of this subsection, the Attorney General may proceed with the action.”

- Remove §14-47A-08 because 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.

Effective Date

- Modify the proposed Act’s effective date to at least October 1, 2026, to allow sufficient time for businesses to align their internal processes and mechanisms with any new regulatory requirements.

Cultivating public trust and transparency in the use of artificial intelligence systems remains critically important to Alliance for Automotive Innovation 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,



Josh Fisher
Senior Director, Alliance for Automotive Innovation