

**MHLA**  
Maryland Hotel  
Lodging Association

**HB 314 - Automation Technology Deployment Assessment and Displaced Employee  
Retraining Fund – Established**  
Economic Matters Committee  
February 4, 2026  
**Position: UNFAVORABLE**

*MHLA is the sole statewide organization dedicated to advocacy on behalf of Maryland's lodging industry. Our industry is a powerful economic engine. 765 hotels support more than 115,000 jobs statewide, generate \$7.2 billion in wages and salaries, contribute \$2.4 billion in state and local tax revenue, and drive \$10.6 billion in guest spending that strengthens communities across Maryland.*

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**MHLA strongly opposes HB 314 as written**

We appreciate the intent to address workforce transitions and the impact of emerging technologies; however, **HB 314 threatens unintended economic harm, misrepresents automation's role in hospitality, and jeopardizes Maryland's competitiveness.** As drafted, the bill would layer **four significant requirements**—mandatory employer reporting of automation deployment, attribution of job loss specifically to automation, a per-displaced-employee assessment, and a dedicated nonlapsing retraining fund—onto Maryland employers.

In the hospitality industry, **automation and technology are used primarily to support employees**, address persistent labor shortages, and improve operational efficiency—**not to eliminate jobs.** Because hotel service is fundamentally people-driven, most technology investments **function as efficiency enhancers** rather than substitutes for human labor.

**Hotel employment fluctuates due to seasonality, turnover, demand cycles, and broader economic conditions.** Research consistently shows that attributing job loss directly to automation is inherently complex and varies by industry. **HB 314 lacks clear, evidence-based standards for causation**, creating significant misclassification and compliance risk—particularly for hospitality employers managing routine seasonal staffing changes.

Based on our review of state legislative activity, **we are not aware of any widely recognized state framework that combines all four elements proposed in HB 314** into a single employer assessment program. Regardless, HB 314 would create a complex and untested compliance structure layered on top of existing workforce systems that already provide retraining and reemployment support for displaced workers—**without imposing technology-specific employer fees.**

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Hotels continue to support millions of jobs, but **operating costs remain elevated and profitability has not fully returned to pre-pandemic levels**, making productivity investments critical to stabilizing operations and sustaining employment. **Adding new assessments and reporting requirements tied to automation at this stage would discourage these investments, increase costs, and undermine future growth.**

For these reasons, MHLA respectfully urges an unfavorable report on HB 314.

**For more information, please contact:**

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