

February 2, 2026

The Honorable Kris Valderrama
Chair
House Economic Matters Committee
Maryland House of Delegates
230 Taylor House Office Building
Annapolis, Maryland 21401

RE: HB 314 (Stewart) - Automation Technology Deployment Assessment and Displaced Employee Retraining Fund – Established – Unfavorable

Dear Chair Valderrama and Members of the Committee,

On behalf of TechNet, I'm writing to share concerns on HB 314.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes 104 dynamic American businesses ranging from startups to the most iconic companies on the planet and represents five million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

Artificial intelligence (AI), machine learning (ML), and the algorithms that often support these technologies have generated significant policymaker interest. As technological advances emerge, policymakers' understanding of how these technologies work is vital for responsible policymaking. Our member companies are committed to responsible AI development and use. This means prioritizing safety and transparency while ensuring that innovation can continue to thrive.

We recognize and value the intent to advance AI accountability while supporting continued innovation; however, TechNet is opposed to HB 314 for several reasons. Automation and new technologies have improved efficiency for businesses and have organically changed employment makeup over the years.

Requiring a description of automation technologies used by covered entities risks a business's trade secrets and is inherently anti-competitive by making that information public. The bill also requires the Secretary of Labor to adopt regulations that "specify the information that a covered employer is required to submit" under the subsection. This requirement is unclear and will lead to uncertainty for

businesses that would need to comply with regulations at the discretion of the Secretary without an opportunity for input.

HB 314 raises several questions. How would a covered entity even determine that a reduction in force is caused by automation versus any other sort of business decision? What metrics would a covered entity have to prove, or not prove, that job loss was due to automation? Moreover, the bill requirements are similar to existing Work Adjustment and Retraining Notification (WARN) requirements.

The bill also requires an affidavit from the business as to the veracity of the employment changes under penalty of perjury. Given the uncertainty of how that information is determined, such a requirement creates significant legal risk for an officer of the company. That, coupled with the uncertainty of how a business could comply with the proposed requirements, will disincentivize future business investments in Maryland.

The bill requires a \$900 assessment for each displaced employee. Again, how are covered entities able to determine that automation led to job loss when several factors can contribute to workforce reductions? This assessment fee will have a negative financial impact on businesses operating in Maryland.

Many of TechNet's member companies already invest in apprenticeships, upskilling, and job training. These opportunities are free of charge to employees and provide valuable experience in operations and logistics. We encourage lawmakers to let the competitive market, rather than government regulation, provide opportunities for Maryland residents. For the reasons stated above, TechNet is opposed to HB 314. Thank you for your consideration of our concerns and please let me know if you have any questions.

Sincerely,



Margaret Durkin
TechNet Executive Director, Pennsylvania & the Mid-Atlantic