

HB0148_RichardKaplowitz_FAV

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Richard Keith Kaplowitz

Frederick, MD 21703

TESTIMONY ON HB#/0148- POSITION: FAVORABLE

Consumer Protection and Labor and Employment - Surveillance-Based Price and Wage Setting - Prohibition

TO: Chair Valderrama, Vice Chair Charkoudian and members of the Economic Matters Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of HB#/0148, **Consumer Protection and Labor and Employment - Surveillance-Based Price and Wage Setting – Prohibition**

The Washington Center for Equitable Growth has explained *How artificial intelligence uncouples hard work from fair wages through ‘surveillance pay’ practices—and how to fix it*¹

Workers’ pay is increasingly shaped by opaque algorithms and artificial intelligence systems, shifting compensation decisions away from human managers, clear legal standards, and collective bargaining. This phenomenon—known as algorithmic wage discrimination¹ or surveillance pay²—was first documented in app-controlled ride-hail and food-delivery work. Now, it is spreading to a range of other industries and services.

Our first-of-its-kind audit of 500 AI labor-management vendors suggests that traditional employers in industries including health care, customer service, logistics, and retail are now using automated surveillance and decision-making systems to set compensation structures and to calculate individual wages. Without policy interventions, we fear that these practices will become normalized, thus growing income uncertainty, entrenching bias, and eroding wage-setting transparency.

Recognizing the harms this AI driven practice will bring to workers in Maryland this bill will direct employers by prohibiting a person from engaging in certain surveillance-based price setting; making a certain violation of the Act an unfair, abusive, or deceptive trade practice that is subject to enforcement and penalties under the Maryland Consumer Protection Act; and prohibiting an employer from engaging in certain surveillance-based wage setting.

Maryland can and should lead the way to treat employees fairly with justice and respect.

I respectfully urge this committee to return a favorable report on HB#/0148.

¹ <https://equitablegrowth.org/how-artificial-intelligence-uncouples-hard-work-from-fair-wages-through-surveillance-pay-practices-and-how-to-fix-it/>