

February 23, 2026

The Honorable Sandy Bartlett
Chair
House Judiciary Committee
Maryland House of Delegates
101 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

RE: HB 712 (Grammer) - Civil Actions - Product Liability - Artificial Intelligence Systems – Unfavorable

Dear Chair Bartlett and Members of the Committee,

On behalf of TechNet, I'm writing to share comments on HB 712.

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 103 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 artificial intelligence have generated significant policymaker interest. We acknowledge that 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; however, we are concerned about HB 712 for several reasons.

House Bill 712 introduces vague and sweeping definitions that would create substantial legal uncertainty for technology companies operating in Maryland. The bill defines "High-Impact Artificial Intelligence System" to include any system that "exhibits, or could be easily modified to exhibit, high levels of performance at tasks that pose a serious risk to economic security or public health or safety". This subjective, speculative standard, which focuses on what a system *could* be modified to do, rather than its actual design and use, provides no workable guidance for compliance and invites boundless litigation. Similarly, the definition of "Harm" is extraordinarily broad, encompassing not only physical injury but also "distortion of a person's behavior that would be highly offensive to a reasonable person". Such

indeterminate standards will impede on investment in AI development and deployment in Maryland, as companies cannot reasonably predict what conduct may expose them to liability.

The legislation holds developers liable for "reasonably foreseeable unintended uses" of their products. Unlike traditional product liability regimes that focus on manufacturing defects or design failures in intended uses, this framework forces developers to anticipate and prevent every conceivable misuse of a general-purpose technology—an impossible standard.

While HB 712 provides for a safe harbor with "testing, evaluation, verification, validation, and auditing of the product consistent with industry best practices", we are concerned it does not go far enough. There are no established "industry best practices" for many emerging AI applications, and the bill does not specify what level of evidence suffices to rebut the presumption.

Finally, HB 712 will create patchwork requirements, placing compliance mandates on companies that will be burdensome and lead to legal fragmentation.

TechNet and its members encourage innovation while also ensuring that Maryland consumers are protected. We are concerned that the language within HB 712 will impede on innovation in the AI space. For the reasons stated above, we are strongly opposed to this bill. Thank you for your consideration of our concerns and please don't hesitate to reach out with any questions.

Sincerely,



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