

**February 24, 2026**

**The Honorable J. Sandy Bartlett  
Chair of Senate Finance Committee  
Maryland General Assembly  
101 Taylor House Office Building  
Annapolis, Maryland 21401**

**RE: Opposition to HB 712 – Artificial Intelligence**

Chair Bartlett, Vice Chair Davis, and Distinguished Members of the Committee,

On behalf of the Electronic Transactions Association (ETA), the leading trade association representing the payments industry, we appreciate the opportunity to share our opposition and broad concerns with HB 712. ETA and its members are supportive of efforts to promote responsible use of artificial intelligence (AI) tools and systems. Our industry has long been at the forefront of developing and implementing safeguards to ensure AI is used responsibly and does not result in unjustified differential treatment. ETA's members and their use of AI occur within the confines of one of the most highly regulated industries, while adhering to the principles of explainability, privacy, risk management, and fairness within existing legal frameworks, including: the Equal Credit Opportunity Act (ECOA), which governs both traditional and AI-assisted lending practices, and state privacy laws.

**Summary of Specific Feedback:****Risk Identification**

**Speculation About Risks:** Section 3-2703 (F) (2) requires that developers adhere to a risk management policy that “specifies the policy by which the deployer will identify, document, and mitigate any risk, especially to minor users, that is reasonably foreseeable.” Although ETA supports efforts to mitigate the most significant risks of AI, this section presents considerable challenges, including:

- Creating a heavy burden on companies that use AI tools to make long-term predictions about their models' capabilities before models are trained or built.
- **Liability:** ETA believes that risk and liability should flow with the actor and user in question, rather than remaining with the developer.

**Attorney General Enforcement (Section 3-2704)**

- **Timeline:** ETA is grateful for the opportunity to cure, as we believe it supports our shared goals of promoting responsible uses of AI. Allowing companies 90 days for the right to cure any suspected or discovered negative impacts of the use of AI, will allow companies more time to investigate the source of any discrimination and implement meaningful changes.

- Additionally, ETA requests clarification on metrics or parameters outlined in the violation letter to ensure proper curative steps are taken and/or clear showing of thresholds for how the fine amount is to be determined.

### **Consumer Rights and Remedies**

**Right of Action:** ETA and its members strictly adhere to existing legal and regulatory frameworks, such as the Maryland Personal Information Protection Act (PIPA), which substantively cover a data-subject's rights within the State of Maryland in a manner that would allow end-consumers to enforce data rights against AI use cases without requiring additional legislation. The right of action properly belongs to the AG in those instances as the AG is best situated to bring action against a company for violation.

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We appreciate you taking the time to consider these important issues. If you have any questions or wish to discuss any aspect of our comments, please contact me.

Respectfully,

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