



February 21, 2024

Economic Matters Committee
The Honorable Delegate C. T. Wilson
Room 231
House Office Building
Annapolis, Maryland 21401

RE: HB 1225 - Automated Employment Decision Tools – Prohibition - Oppose

Dear Delegate Wilson:

The proposed legislation on the regulation of Automated Employment Decision Tools, as outlined in Senate Bill 0957, introduces a framework aimed at mitigating the risks associated with algorithmic decision-making in employment contexts. While the intention behind this bill is commendable in its effort to curb discriminatory practices and ensure fairness, it could inadvertently place undue burden on the end users—namely, employers who utilize these tools for hiring and employment-related decisions. The complexity of AI systems and the "black box" nature of their decision-making processes raise significant challenges that merit closer examination.

When legislation like SB 0957 holds employers accountable for the outcomes of AI-driven decisions, it fails to address the root cause of potential biases—the design and training of the AI systems themselves. Employers, especially those with limited technical expertise, may not fully understand the intricacies of these tools or have the capacity to conduct thorough impact assessments as required by the bill. They rely on their third-party vendors for these technologies, and their ability to ensure compliance may be limited by the information and tools available to them.

Moreover, the requirement for annual impact assessments and the obligation to notify applicants about the use of such tools place a significant administrative and financial burden on employers. This could discourage the adoption of innovative technologies that, if properly designed and monitored, could enhance fairness and efficiency in hiring. It could also lead to a scenario where the fear of penalties stifles innovation or leads to overly cautious employment practices that do not necessarily result in fairer outcomes.

The challenge, then, is to balance the need for accountability and transparency in automated decision-making with the recognition that the technology itself is a tool that reflects the intentions and biases of its creators and users. Legislation should encourage collaboration between technologists, regulators, and end users to develop standards and practices that enhance the transparency and fairness of AI systems. This could involve promoting open standards for AI accountability, providing resources for small and medium-sized enterprises to comply with regulations, and encouraging research into more interpretable AI models.



In conclusion, while Senate Bill 0957 takes a step in the right direction by highlighting the potential risks of automated employment decision tools, it also risks penalizing end users for issues that may lie beyond their control. A more nuanced approach that addresses the complexity of AI systems and fosters a collaborative environment for improving these technologies may offer a better path forward.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill and therefore requests that you give it an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Mike McMullin".

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Senator Justin Ready
Delegate April Rose