
LEGAL BACKGROUND BRIEFING

Legal Services Division

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STATE OF ARTIFICIAL INTELLIGENCE LAWS

Legal Background Briefings, prepared by the nonpartisan Legal Services Division of the Legislative Services Agency, provide a general survey of a particular area of the law that may be pertinent to the General Assembly's consideration of a topic and are intended for use primarily by legislators, legislative staff, and other persons interested in legislative matters. Legal background briefings are updated by staff periodically to reflect changes in the law. The reader is cautioned against using information contained in a legal background briefing to draw conclusions as to the legality of a particular behavior or set of circumstances and should not be interpreted as advocating a particular course of action.

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STATE OF ARTIFICIAL INTELLIGENCE LAWS

Overview

This Legal Background Briefing relates to laws and regulations that affect the development or usage of artificial intelligence (AI) in Iowa and other jurisdictions. References to the Iowa Code are to the 2027 Code unless otherwise stated.

Background

AI has become the subject of legislative and regulatory activity at both the federal and state levels. State legislatures across the United States, including Iowa's General Assembly, have considered legislation related to conversational AI services, deepfakes, intellectual property issues, consumer protection, and the use of AI by government agencies.¹

Multiple data center facilities used to develop or operate AI systems owned by companies such as Google, Microsoft, Meta, and Apple are currently located in Iowa.² Public announcements indicate that several of these companies are planning to expand, or have already begun construction on additional data center infrastructure in Iowa.³

AI Legislation in Iowa

During the 2026 legislative session, the General Assembly passed Senate File 2417, its first law that directly addresses AI.⁴ This legislation established requirements and guidelines for an operator of a conversational AI service (AI service) which include all of the following:⁵

- Requiring the AI service to inform a minor user that the minor is interacting with AI.
- Prohibiting the operator from knowingly and intentionally causing the AI service to make representations or statements that would lead a reasonable person to believe the AI service is designed to provide services that would typically require professional licensure.
- Requiring the operator to implement reasonable measures to prevent the AI service from leading a reasonable person to believe the AI service is actually a human.
- Prohibiting the AI service from awarding a minor user points or similar rewards at unpredictable intervals to encourage the minor user to increase engagement with the AI service.
- Prohibiting the AI service from creating materials of a sexually explicit nature for a minor, stating the minor should engage in sexually explicit conduct, or sexually objectifying the minor.
- Requiring the operator to provide tools to manage a minor user's privacy and account settings.
- Requiring visible persistent disclaimers during continuous usage.
- Requiring operators to adopt protocols to respond to a user's prompts indicating suicidal ideation or self harm.

Senate File 2417 allows the Attorney General to enforce the Act and receive from an operator found in violation of the Act the greater of actual damages or a civil penalty of \$1,000 per violation up to a maximum of \$500,000.⁶

1. See 2026 Iowa Acts, ch. 1068 (codified at Iowa Code chapter 554J); see also 2025 Arkansas Act 827; HF 2199, 91st Leg., 2nd Sess. (Iowa 2026); S.B. 243, 126th Leg., 1st Sess. (Cal. 2025); and the article by National Conference of State Legislatures, Sanam Hooshidary, Chelsea Canada, and William Clark, "Artificial Intelligence in Government: The Federal and State Landscape" (Nov. 22, 2024), www.ncsl.org/technology-and-communication/artificial-intelligence-in-government-the-federal-and-state-landscape (last visited June 15, 2026).

2. DataCenterMapUSA, "Iowa Data Centers," www.usdatamap.com/state/IA (last visited June 15, 2026).

3. Id.

4. 2026 Iowa Acts, ch. 1068 (codified at Iowa Code chapter 554J).

5. 2026 Iowa Acts, ch. 1068, §§2 – 5 (codified at Iowa Code §§554J.2 through §554J.5).

6. 2026 Iowa Acts, ch. 1068, §6 (codified at Iowa Code §554J.6).



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While other legislation directly relating to AI has not passed, the Legislature has considered bills relating to issues involving the ownership of AI-generated output and trained AI systems⁷ as well as the use of AI during the practice of medicine.⁸

AI Legislation in Other Jurisdictions

Some topics contemplated by other legislatures appear to be recurring in nature and may shed light on the direction of AI laws in the future.

Several jurisdictions have passed legislation to address the issue of AI being used to generate realistic images or videos of actual persons, commonly referred to as deepfakes, especially in contexts related to elections.⁹

States have generally addressed deepfakes by instituting prohibitions and disclosures.¹⁰ Minnesota and Texas prohibit the publication of political deepfakes a certain number of days prior to an election.¹¹ Maryland has no time limit and instead prohibits deceptive deepfakes related to the election year-round.¹² All other states that passed legislation on the topic require disclosures on the media, like those required for who paid for a political ad, stating if it contains a deepfake.¹³ Colorado and Utah require additional disclosures in the media's metadata when the file is created and when it is edited.¹⁴

Nine state legislatures have also passed bills to prevent or mitigate possible discriminatory effects an AI system may cause in areas such as housing, employment, lending, insurance, and education due to the way the AI system was modeled, trained, or otherwise developed, or in other words, algorithmic discrimination.¹⁵

Issues relating to intellectual property rights and copyright protections were also a recurring theme in many states.¹⁶ Arkansas enacted HB 1876 which clarifies who owns AI-generated material and newly trained AI models.¹⁷ California, Maine, and Pennsylvania either considered legislation or passed a resolution to encourage Congress to limit when AI developers could use copyrighted materials to train the AI.¹⁸

The issue of AI resource management has also become a widely discussed topic.¹⁹ Data centers require a considerable amount of water and electricity to keep functioning.²⁰ While the debate to determine the best means for apportioning resources is relatively new, one of the first ways states are attempting to address the situation is through legislation that would require data centers to report the actual amount of the data center's resource usage.²¹

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7. SF 2199 (2026).

8. HSB 766 (2026).

9. National Conference of State Legislatures, "Deepfakes in Election Campaigns" (June 5, 2026), www.ncsl.org/elections-and-campaigns/artificial-intelligence-ai-in-elections-and-campaigns (last visited June 16, 2026).

10. Id.

11. Id.

12. Id.

13. Id.

14. Id.

15. National Conference of State Legislatures, "Artificial Intelligence 2025 Legislation" (June 5, 2026), www.ncsl.org/technology-and-communication/artificial-intelligence-2025-legislation (last visited June 16, 2026).

16. Id.

17. HB 1876, 95th Leg., 1st Sess. (Ark. 2025).

18. AB 412, 126th Leg., 1st Sess. (Cal. 2025); H 74, 132nd Leg., 1st Sess. (Maine 2025); HR 81, 209th Leg., 1st Sess. (Penn. 2025).

19. AB 93, 126th Leg., 1st Sess. (Cal. 2025); Harder, Amy, "Amazon touts water savings amid data center pushback" (June 11, 2026), www.axios.com/2026/06/11/amazon-water-savings-data-center (last visited June 16, 2026); Patel, Mahalingham, and Patel, "The Environmental Impact of AI Servers and Sustainable Solutions," arxiv.org/pdf/2601.06063 (last visited June 16, 2026).

20. Patel, Mahalingham, and Patel, "The Environmental Impact of AI Servers and Sustainable Solutions," p. 2, arxiv.org/pdf/2601.06063 (last visited June 16, 2026).

21. AB 93, 126th Leg., 1st Sess. (Cal. 2025).