HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH AND
TECHNOLOGY BILL BY
CHAIRPERSON SORENSEN)

A BILL FOR

1 An Act relating to artificial intelligence, including the use
2   of artificial intelligence to create materials related to
3   elections and protections in interactions with artificial
4   intelligence systems, and making penalties applicable.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MATERIALS RELATED TO ELECTIONS

1   DIVISION I
2   MATERIALS RELATED TO ELECTIONS
3   Section 1. Section 68A.405, Code 2025, is amended by adding
4 the following new subsection:
5   NEW SUBSECTION. 5. *a.* Published material generated through
6 the use of artificial intelligence and designed to expressly
7 advocate the nomination, election, or defeat of a candidate for
8 public office or the passage or defeat of a ballot issue must
9 contain a disclosure on the published material that the published
10 material was generated using artificial intelligence. The
11 disclosure must include the words "this material was generated
12 using artificial intelligence".
13   *b.* For purposes of this subsection, *"artificial intelligence"*
14 means a machine-based system that can, for a given set of
15 human-defined objectives, make predictions, recommendations, or
16 decisions influencing real or virtual environments.
17   *c.* The board shall adopt rules for the implementation of this
18 subsection.
19   *d.* A disclosure made in compliance with this subsection does
20 not preclude a private right of action arising out of the
21 publication of published material generated through the use of
22 artificial intelligence.
23   DIVISION II
24 PROTECTIONS IN INTERACTIONS WITH ARTIFICIAL INTELLIGENCE SYSTEMS
25   Sec. 2. NEW SECTION. **554I.1 Definitions.**
26   As used in this chapter:
27   1. *a.* *"Algorithmic discrimination"* means any use of an
28 artificial intelligence system that results in unfavorable
29 treatment due to an individual or group of individuals' actual
30 or perceived age, race, creed, color, sex, sexual orientation,
31 national origin, religion, or disability.
32   *b.* *"Algorithmic discrimination"* does not include the offer,
33 license, or use of an artificial intelligence system for the sole
34 purpose of performing any of the following:
35   (1) Testing to identify, mitigate, or prevent discrimination

1 or otherwise ensure compliance with state or federal law.

2 (2) Expanding an applicant, customer, or participant pool to

3 increase diversity or redress historic discrimination.

4 (3) Any act or omission by or on behalf of a private

5 club or other establishment not in fact open to the public,

6 as established in the federal Civil Rights Act of 1964,

7 Pub. L. No. 88-352, as amended.

8 2. *"Artificial intelligence system"* means any machine-based

9 system that, for any explicit or implicit objective, infers from

10 the inputs the system receives to generate outputs, including

11 content, decisions, predictions, or recommendations, that can

12 influence physical or virtual environments.

13 3. *"Consequential decision"* means any decision that has a

14 material legal or similarly significant effect on the provision

15 or denial of any of the following to an individual:

16 *a.* A pardon, parole, probation, or release.

17 *b.* Enrollment in education or an educational opportunity.

18 *c.* Employment.

19 *d.* A financial or lending service.

20 *e.* An essential government service.

21 *f.* A health care service, as health care is defined in

22 section 144B.1.

23 *g.* Insurance.

24 *h.* A legal service.

25 4. *"Deployer"* means a person doing business in this state

26 that uses a high-risk artificial intelligence system.

27 5. *"Developer"* means a person doing business in this state

28 that develops or intentionally and substantially modifies a

29 high-risk artificial intelligence system.

30 6. *a.* *"High-risk artificial intelligence system"* means any

31 artificial intelligence system that makes, or is a factor that

32 would likely alter the outcome of, a consequential decision.

33 *b.* *"High-risk artificial intelligence system"* does not

34 include any of the following:

35 (1) An artificial intelligence system that is only intended

1 to do any of the following:

2 (a) Perform a narrow procedural task.

3 (b) Improve the result of a previously completed human
4 activity.

5 (c) Perform a preparatory task relevant to a consequential
6 decision.

7 (d) Detect any decision-making pattern or any deviation from
8 a preexisting decision-making pattern.

9 (2) Antifraud technology.

10 (3) Antimalware technology.

11 (4) Antivirus technology.

12 (5) Calculators.

13 (6) Cybersecurity technology.

14 (7) Databases.

15 (8) Data storage technology.

16 (9) Firewalls.

17 (10) Internet domain registration technology.

18 (11) Internet website loading technology.

19 (12) Networking.

20 (13) Search engine or similar technology.

21 (14) Spam and robocall filtering technology.

22 (15) Spellchecking.

23 (16) Spreadsheets.

24 (17) Web caching technology.

25 (18) Web hosting technology.

26 (19) Any technology that communicates in natural language
27 for the purpose of providing users with information, making
28 referrals or recommendations, answering questions, or generating
29 other content, and that is subject to an accepted use policy that
30 prohibits generating content that is unlawful.

31 7. *"Intentional and substantial modification"* or
32 *"intentionally and substantially modifies"* means a deliberate
33 change made to an artificial intelligence system that materially
34 increases the risk of algorithmic discrimination.

35 8. *"Trade secret"* means the same as defined in section 550.2.

1 Sec. 3. <u>NEW SECTION</u>. **554I.2 Algorithmic discrimination**
2 **prohibited.**
3 1. *a.* A developer shall use reasonable care to protect
4 individuals from any known or reasonably foreseeable risks
5 of algorithmic discrimination arising from the intended and
6 contracted uses of the developer's high-risk artificial
7 intelligence system.
8 *b.* There is a rebuttable presumption that a developer used
9 reasonable care as required under this section if the developer
10 complied with subsections 2 through 8 and any additional
11 requirements established in rules adopted by the attorney general
12 pursuant to section 554I.7.
13 2. A developer shall make all of the following available to
14 a deployer or other developer that uses or intends to use the
15 developer's high-risk artificial intelligence system:
16 *a.* A general statement describing the reasonably foreseeable
17 uses and known harmful or inappropriate uses of the high-risk
18 artificial intelligence system.
19 *b.* Documentation for all of the following:
20 (1) Summaries of the types of data used to train the
21 high-risk artificial intelligence system.
22 (2) The known or reasonably foreseeable limitations of
23 the high-risk artificial intelligence system including but
24 not limited to the known or reasonably foreseeable risks of
25 algorithmic discrimination arising from the intended use of the
26 high-risk artificial intelligence system.
27 (3) The purpose and intended uses of the high-risk artificial
28 intelligence system.
29 (4) The intended outputs of the high-risk artificial
30 intelligence system and how to understand the outputs.
31 (5) The intended benefits of the high-risk artificial
32 intelligence system.
33 (6) How the high-risk artificial intelligence system was
34 evaluated for performance and mitigation of algorithmic
35 discrimination before the high-risk artificial intelligence

1 system was sold, leased, licensed, given, or otherwise made
2 available to the deployer or other developer.
3 (7) The actions or processes the deployer implemented to
4 ensure the quality and consistency of training datasets, the
5 measures used to examine the suitability of data sources,
6 the measures used to evaluate possible biases in the training
7 datasets and data sources, and the measures used to mitigate
8 possible biases in training datasets and data sources.
9 (8) The measures the developer took to mitigate any known
10 or reasonably foreseeable risks of algorithmic discrimination
11 that may arise from using the high-risk artificial intelligence
12 system.
13 (9) How the high-risk artificial intelligence system should
14 be used, should not be used, and should be monitored when the
15 high-risk artificial intelligence system is used to make, or is
16 a factor that would likely alter the outcome of, a consequential
17 decision.
18 (10) Instructions that are reasonably necessary to assist
19 a deployer in monitoring the performance of the high-risk
20 artificial intelligence system for any risk of algorithmic
21 discrimination.
22 3. *a.* A developer that offers, sells, leases, licenses,
23 gives, or otherwise makes a high-risk artificial intelligence
24 system available to a deployer shall provide documentation
25 and information to the deployer necessary for the deployer to
26 complete an impact assessment under section 554I.3. Materials
27 and data include but are not limited to model cards, dataset
28 cards, and other impact assessments.
29 *b.* This subsection shall not apply if the deployer is
30 affiliated with the developer that is providing the high-risk
31 artificial intelligence system.
32 4. A developer shall make a statement available in a manner
33 that is clear and readily available on the developer's internet
34 site or in a public use case inventory that includes a summary of
35 all of the following:

1   *a.* The types of high-risk artificial intelligence systems
2 the developer has developed or intentionally and substantially
3 modified and is currently making generally available to
4 deployers.
5   *b.* How the developer manages known or reasonably foreseeable
6 risks of algorithmic discrimination arising from development
7 or intentional and substantial modification of the types of
8 high-risk artificial intelligence systems described in paragraph
9 "*a*".
10   5. Each developer shall update the statement described in
11 subsection 4 as necessary to ensure that the statement remains
12 accurate, but no later than ninety days after the developer
13 develops or intentionally and substantially modifies a high-risk
14 artificial intelligence system.
15   6. *a.* A developer shall disclose to the attorney general
16 and to all known deployers or other developers of the high-risk
17 artificial intelligence system any known or foreseeable risks of
18 algorithmic discrimination arising from the intended uses of the
19 high-risk artificial intelligence system.
20   *b.* A disclosure under paragraph "*a*" shall be given to the
21 attorney general no later than ninety days after the earliest of
22 any of the following occurs:
23   (1) The developer discovers through the developer's ongoing
24 testing and analysis that the developer's high-risk artificial
25 intelligence system has been used and has caused or is reasonably
26 likely to have caused algorithmic discrimination.
27   (2) The developer receives from a deployer a credible report
28 that the high-risk artificial intelligence system has been used
29 and has caused algorithmic discrimination.
30   7. Subsections 2 through 6 do not require a developer to
31 disclose a trade secret, information protected under state or
32 federal law, or other confidential or proprietary information.
33   8. *a.* The attorney general may require that a developer
34 disclose to the attorney general any statement or documentation
35 described in subsection 2 if the statement or documentation is

1 relevant to an investigation conducted by the attorney general
2 regarding a violation of this chapter.
3   *b.* To the extent that a statement or documentation requested
4 by the attorney general pursuant to paragraph "*a*" includes
5 proprietary information or a trade secret, the statement or
6 documentation is exempt from disclosure. The developer may
7 designate the statement or documentation as including proprietary
8 information or a trade secret.
9   *c.* To the extent that a statement or documentation requested
10 by the attorney general pursuant to paragraph "*a*" includes
11 information subject to attorney-client privilege or work-product
12 protection, the disclosure does not constitute a waiver of the
13 privilege or protection.
14   Sec. 4. <u>NEW SECTION</u>. **554I.3 Impact assessments.**
15   1. A deployer shall use reasonable care to protect
16 individuals from any known or reasonably foreseeable risks of
17 algorithmic discrimination. In any enforcement action brought
18 by the attorney general, there is a rebuttable presumption that
19 a deployer used reasonable care as required under this section
20 if the deployer complied with subsections 2 through 7 and any
21 additional requirements established in rules adopted by the
22 attorney general pursuant to section 554I.7.
23   2. *a.* A deployer shall implement a risk management policy
24 and program to govern the deployer's use of high-risk artificial
25 intelligence systems.
26   *b.* The risk management policy and program shall specify
27 and incorporate the principles, processes, and personnel that
28 the deployer uses to identify, document, and mitigate known or
29 reasonably foreseeable risks of algorithmic discrimination.
30   *c.* The risk management program shall be an iterative process
31 that is planned, implemented, and regularly and systematically
32 reviewed and updated for the duration of the deployer's use of
33 high-risk artificial intelligence systems.
34   *d.* Each risk management policy and program shall consider all
35 of the following:

1   (1) The guidance and standards established by all of the
2 following:
3   (a) Standards established in the most recent version of the
4 artificial intelligence risk management framework published by
5 the national institute of standards and technology of the United
6 States department of commerce.
7   (b) Standard ISO/IEC 42001 of the international organization
8 for standardization.
9   (c) A nationally or internationally recognized risk
10 management framework for artificial intelligence systems.
11   (d) Standards designated by the attorney general.
12   (2) The size and complexity of the deployer.
13   (3) The nature and scope of the high-risk artificial
14 intelligence system used by the deployer, including but not
15 limited to the intended uses of the high-risk artificial
16 intelligence system.
17   (4) The sensitivity and volume of data processed in
18 connection with the high-risk artificial intelligence systems
19 used by the deployer.
20   3. A risk management policy and program implemented pursuant
21 to this section may cover more than one high-risk artificial
22 intelligence system.
23   4. *a.* A deployer, or a third party contracted by the
24 deployer to use a high-risk artificial intelligence system,
25 shall complete an impact assessment for the high-risk artificial
26 intelligence system.
27   *b.* The impact assessment shall be completed no later than
28 ninety days after a high-risk artificial intelligence system
29 or an intentional and substantial modification of a high-risk
30 artificial intelligence system is available for use.
31   *c.* Each impact assessment shall, at a minimum, include all of
32 the following to the extent reasonably known by or available to
33 the deployer:
34   (1) A statement disclosing all of the following:
35   (a) The purpose for using the high-risk artificial

1 intelligence system.

2 (b) The context for using the high-risk artificial
3 intelligence system.

4 (c) The benefits afforded by using the high-risk artificial
5 intelligence system.

6 (2) An analysis of whether the use of the high-risk
7 artificial intelligence system poses any known or foreseeable
8 risk of algorithmic discrimination and, if so, the nature of the
9 algorithmic discrimination and the steps that have been taken to
10 mitigate the risks.

11 (3) A description of the categories of data the high-risk
12 artificial intelligence system processes as inputs and the
13 outputs the high-risk artificial intelligence system produces.

14 (4) Any metrics used to evaluate the performance and known
15 limitations of the high-risk artificial intelligence system.

16 (5) A description of any transparency measures taken
17 concerning the high-risk artificial intelligence system, such as
18 measures taken to disclose to individuals that the high-risk
19 artificial intelligence system is in use.

20 (6) A description of the post-use monitoring and user
21 safeguards provided concerning the high-risk artificial
22 intelligence system, such as the oversight process established by
23 the deployer to address issues arising from using the high-risk
24 artificial intelligence system.

25 (7) If the impact statement is being made subsequent to
26 an intentional and substantial modification to a high-risk
27 artificial intelligence system, a statement disclosing the extent
28 to which the high-risk artificial intelligence system was used in
29 a manner that was consistent with or varied from the developer's
30 intended uses of the high-risk artificial intelligence system.

31 *d.* A single impact statement may address a comparable set of
32 high-risk artificial intelligence systems used by a deployer.

33 5. An impact assessment completed for the purpose of
34 complying with another applicable law or regulation shall satisfy
35 the requirements of this section if the impact assessment is

1 reasonably similar in scope and effect to an impact assessment
2 that would otherwise be completed pursuant to this section.
3   6.   A deployer shall maintain the most recently completed
4 impact assessment for a high-risk artificial intelligence system
5 as required under this section and relevant records supporting
6 the impact assessment for a period of at least three years
7 following the final use of the high-risk artificial intelligence
8 system.
9   7.   A deployer shall review, at least annually, the deployment
10 of each high-risk artificial intelligence system used by the
11 deployer to ensure that the high-risk artificial intelligence
12 system is not causing algorithmic discrimination.
13   Sec. 5.   NEW SECTION.   **554I.4   Disclosures of artificial**
14 **intelligence system.**
15   1.   A deployer shall disclose to each individual that
16 interacts with the artificial intelligence system that the
17 individual is interacting with an artificial intelligence system.
18 Developers who make a high-risk artificial intelligence system
19 available in this state shall cooperate with deployers to allow
20 deployers to fulfill the requirements of this subsection.
21   2.   A disclosure under subsection 1 is not required in
22 circumstances in which it would be obvious to a reasonable
23 individual that the individual is interacting with an artificial
24 intelligence system.
25   Sec. 6.   NEW SECTION.   **554I.5   Exclusions.**
26   1.   This chapter shall not be construed to restrict a
27 developer's, deployer's, or other person's ability to do any of
28 the following:
29   *a.*   Comply with federal, state, or municipal law.
30   *b.*   Comply with a civil, criminal, or regulatory inquiry,
31 investigation, subpoena, or summons by a federal, state,
32 municipal, or other governmental authority.
33   *c.*   Cooperate with a law enforcement agency concerning conduct
34 or activity that a developer, deployer, or other person
35 reasonably and in good faith believes may violate federal, state,

1 or municipal law.

2 *d.* Investigate, establish, exercise, prepare for, or defend
3 legal claims.

4 *e.* Take immediate steps to protect an interest that is
5 essential for the life or physical safety of an individual.

6 *f.* Engage in public or peer-reviewed scientific or
7 statistical research in the public interest that adheres to
8 all other applicable ethics and privacy laws and is conducted
9 in accordance with 45 C.F.R. pt. 46, as amended, or other
10 relevant requirements established by the federal food and drug
11 administration.

12 *g.* Conduct research, testing, and development activities
13 regarding an artificial intelligence system, other than testing
14 conducted under real-world conditions, before the artificial
15 intelligence system is placed on the market, used, or otherwise
16 put into service.

17 *h.* Effectuate a product recall.

18 *i.* Identify and repair technical errors that impair existing
19 or intended functionality in a computer system or an artificial
20 intelligence system.

21 *j.* Assist another developer, deployer, or person with any of
22 the requirements of this chapter.

23 2. This chapter does not apply to a developer, deployer,
24 or other person if the circumstances in which the high-risk
25 artificial intelligence system was developed, used, or
26 intentionally and substantially modified are described by any of
27 the following:

28 *a.* The high-risk artificial intelligence system has been
29 approved, authorized, certified, cleared, developed, or granted
30 by a federal agency and the deployer, developer, or other person
31 is described by any of the following:

32 (1) The person is acting under the authority of the federal
33 agency that approved, authorized, certified, cleared, developed,
34 or granted the high-risk artificial intelligence system.

35 (2) The person is in compliance with standards established

1 by a federal agency for use of high-risk artificial intelligence
2 systems if the requirements imposed by those standards are
3 substantially similar or more restrictive than the requirements
4 of this chapter.

5 *b.* The developer, deployer, or other person is conducting
6 research to support an application for approval or certification
7 from a federal agency.

8 *c.* The developer, deployer, or other person is performing
9 work under or in connection with a contract with the United
10 States department of commerce, the United States department of
11 defense, or the national aeronautics and space administration,
12 unless the developer, deployer, or other person is performing
13 work on a high-risk artificial intelligence system that is used
14 to make, or is a factor that would likely alter the outcome of, a
15 decision concerning employment or housing.

16 *d.* The developer, deployer, or other person is a covered
17 entity within the meaning of the Health Insurance Portability and
18 Accountability Act of 1996, Pub. L. No. 104-191, as amended, and
19 is providing health care recommendations that are generated by an
20 artificial intelligence system, require a health care provider to
21 take action to implement the recommendations, and are not likely
22 to alter the outcome of a consequential decision.

23 3. This chapter does not apply to any artificial intelligence
24 system that is acquired by or for the federal government, a
25 federal agency, or federal department unless the artificial
26 intelligence system is a high-risk artificial intelligence system
27 used to make, or is a factor that would likely alter the outcome
28 of, a decision concerning employment or housing.

29 4. A developer, deployer, or other person shall have the
30 burden to prove an action qualifies for an exclusion under this
31 section.

32 Sec. 7. <u>NEW SECTION</u>. **554I.6 Enforcement.**

33 1. The attorney general shall have exclusive authority to
34 enforce this chapter.

35 2. Prior to initiating any action for a violation of this

1 chapter, the attorney general shall issue a notice of violation
2 to the developer, deployer, or other person who allegedly
3 violated the chapter. The notice shall contain all of the
4 following:
5   *a.* A specific description of the alleged violation.
6   *b.* The actions the developer, deployer, or other person must
7 take to cure the violation.
8   3. The attorney general may bring an action for the alleged
9 violation if the alleged violation is not cured within ninety
10 days of the date the developer, deployer, or other person
11 received the notice of violation.
12   4. A violation of the requirements established in this
13 chapter is an unlawful practice under section 714.16.
14   5. In any action commenced by the attorney general to enforce
15 this chapter, it is an affirmative defense that the developer,
16 deployer, or other person is described by all of the following:
17   *a.* The developer, deployer, or other person discovered and
18 cured a violation of this chapter as a result of any of the
19 following:
20   (1) Feedback that the developer, deployer, or other person
21 encourages deployers or other users to provide to the developer,
22 deployer, or other person.
23   (2) Adversarial testing or red teaming, as those terms are
24 defined or used by the national institute of standards and
25 technology.
26   (3) An internal review process.
27   *b.* The developer, deployer, or other person is otherwise in
28 compliance with any of the following:
29   (1) The latest version of the artificial intelligence risk
30 management framework as published by the national institute
31 of standards and technology and standard ISO/IEC 42001 of the
32 international organization for standardization.
33   (2) A nationally or internationally recognized risk
34 management framework for artificial intelligence systems, if the
35 requirements imposed by those standards are substantially similar

1 or more restrictive than the requirements of this chapter.

2 (3) A risk management framework for artificial intelligence
3 systems that the attorney general designated.

4 6. A developer, deployer, or other person bears the burden
5 of demonstrating to the attorney general that the requirements of
6 subsection 5 have been satisfied.

7 7. *a.* Prior to initiating any action under this chapter, the
8 attorney general shall consult with the department of health and
9 human services to determine whether any complaint has been filed
10 that is founded on the same act or omission that constitutes a
11 violation of this chapter.

12 *b.* The attorney general shall not initiate any action to
13 enforce the provisions of this chapter if a complaint has been
14 filed with the department of health and human services relating
15 to the act or omission that constitutes a violation of this
16 chapter unless the complaint has been fully adjudicated or
17 resolved.

18 8. This chapter shall not preempt or otherwise affect any
19 right, claim, remedy, presumption, or defense available at law
20 or in equity. Any rebuttable presumption or affirmative defense
21 established under this chapter shall apply only to an enforcement
22 action brought by the attorney general pursuant to this chapter
23 and shall not apply to any right, claim, remedy, presumption, or
24 defense available at law or in equity.

25 9. The attorney general shall post on its internet site how
26 to properly file a complaint for a violation under this chapter.

27 10. This section does not provide a basis for a private right
28 of action for violations of this chapter or any other law.

29 Sec. 8. <u>NEW SECTION</u>. **554I.7 Attorney general rulemaking**
30 **authority.**

31 The attorney general shall adopt rules pursuant to chapter 17A
32 to implement this chapter.

33 Sec. 9. Section 714.16, subsection 2, Code 2025, is amended
34 by adding the following new paragraph:

35 <u>NEW PARAGRAPH</u>. *r.* It is an unlawful practice for a person to

1 violate any of the provisions of chapter 554I.

2   EXPLANATION

3   *The inclusion of this explanation does not constitute agreement with*

4   *the explanation's substance by the members of the general assembly.*

5   This bill relates to artificial intelligence (AI), including

6 the use of artificial intelligence to create materials related to

7 elections and protections in interactions with AI systems.

8   DIVISION I —— MATERIALS RELATED TO ELECTIONS. The bill

9 requires that published material generated through the use of

10 AI, defined in this division, and designed to expressly advocate

11 the nomination, election, or defeat of a candidate for public

12 office or the passage or defeat of a ballot issue to include

13 a disclosure that the published material was generated using

14 AI. The disclosure must include the words "this material was

15 generated using artificial intelligence". A disclosure made

16 in compliance with the bill does not preclude a private right

17 of action arising out of the publication of published material

18 generated through the use of AI.

19   By operation of law, a person who willfully violates the

20 division of the bill is guilty of a serious misdemeanor. A

21 serious misdemeanor is punishable by confinement for no more than

22 one year and a fine of at least $430 but not more than $2,560.

23   DIVISION II —— PROTECTIONS IN INTERACTIONS WITH

24 ARTIFICIAL INTELLIGENCE SYSTEMS. The bill defines "algorithmic

25 discrimination" as any use of an AI system that results

26 in unfavorable treatment due to an individual or group of

27 individuals' actual or perceived age, race, creed, color, sex,

28 sexual orientation, national origin, religion, or disability.

29 The bill lists several circumstances which do not constitute

30 "algorithmic discrimination".

31   The bill defines "artificial intelligence system" as any

32 machine-based system that, for any explicit or implicit

33 objective, infers from the inputs the system receives to generate

34 outputs, including but not limited to content, decisions,

35 predictions, or recommendations, that can influence physical or

1 virtual environments.

2 The bill defines "consequential decision" as any decision that
3 has a material legal or similarly significant effect on the
4 provision or denial of a pardon, parole, probation, or release;
5 an education enrollment or educational opportunity; employment; a
6 financial or lending service; an essential government service; a
7 health care service; insurance; or a legal service.

8 The bill defines "deployer" as a person doing business in this
9 state that uses a high-risk AI system.

10 The bill defines "developer" as a person doing business in
11 this state that develops or intentionally and substantially
12 modifies a high-risk AI system.

13 The bill defines "high-risk artificial intelligence system"
14 as any AI system that makes, or is a factor that would likely
15 alter the outcome of, a consequential decision. The bill lists
16 several systems that do not constitute a "high-risk artificial
17 intelligence system".

18 The bill defines "intentional and substantial modification"
19 or "intentionally and substantially modifies" as a deliberate
20 change made to an AI system that materially increases the risk
21 of algorithmic discrimination.

22 The bill defines "trade secret" as information, including
23 but not limited to a formula, pattern, compilation, program,
24 device, method, technique, or process that derives independent
25 economic value, actual or potential, from not being generally
26 known to, and not being readily ascertainable by proper means by
27 a person able to obtain economic value from its disclosure or
28 use; and is the subject of efforts that are reasonable under the
29 circumstances to maintain its secrecy.

30 The bill requires developers to use reasonable care to
31 protect individuals from any known or reasonably foreseeable
32 risks of algorithmic discrimination arising from the intended and
33 contracted uses of the developer's high-risk AI system. The bill
34 creates a rebuttable presumption that a developer used reasonable
35 care if the developer complied with certain requirements detailed

1 in the bill and any additional requirements established in rules
2 adopted by the attorney general.
3   The bill requires a developer to make certain statements,
4 documentation, and summaries related to the high-risk AI system,
5 as detailed in the bill, available to a deployer or other
6 developer that uses or intends to use the developer's high-risk
7 AI system.
8   The bill requires a developer, if the developer offers, sells,
9 leases, licenses, gives, or otherwise makes a high-risk AI system
10 available to a deployer, to provide documentation and information
11 to the deployer necessary for the deployer to complete an
12 impact assessment. Documentation and information includes but
13 is not limited to model cards, dataset cards, and other impact
14 assessments. This requirement does not apply if the deployer is
15 affiliated with the developer that is providing the high-risk AI
16 system.
17   The bill requires a developer to make a statement available in
18 a manner that is clear and readily available on the developer's
19 internet site or in a public use case inventory that includes
20 a summary of the types of high-risk AI systems the developer
21 has developed or intentionally and substantially modified and
22 is currently making generally available to deployers, and
23 how the developer manages known or reasonably foreseeable
24 risks of algorithmic discrimination arising from development
25 or intentional and substantial modification of the types of
26 high-risk AI systems. The bill requires developers to update
27 the statement as necessary to ensure that the statement remains
28 accurate, but no later than 90 days after the developer develops
29 or intentionally and substantially modifies an AI system.
30   The bill requires developers to disclose to the attorney
31 general and to all known deployers or other developers of the
32 high-risk AI system any known or foreseeable risks of algorithmic
33 discrimination arising from the intended uses of the high-risk
34 AI system. The disclosure must be given to the attorney
35 general no later than 90 days after the developer discovers

1 through the developer's ongoing testing and analysis that the
2 developer's high-risk AI system has been used and has caused or
3 is reasonably likely to have caused algorithmic discrimination;
4 or the developer receives from a deployer a credible report that
5 the high-risk AI system has been used and has caused algorithmic
6 discrimination, whichever is earlier. The bill does not require
7 a developer to disclose a trade secret, information protected
8 under state or federal law, or other confidential or proprietary
9 information.
10   The bill authorizes the attorney general to require a
11 developer to disclose to the attorney general any statement
12 or documentation the bill requires the developer to make
13 available to deployers and other developers if the statement
14 or documentation is relevant to an investigation conducted by
15 the attorney general regarding a violation of the bill. The
16 bill makes statements and documentation provided to the attorney
17 general exempt from disclosure to the extent the statement
18 or documentation includes any proprietary information or any
19 trade secret. The developer may designate the statement or
20 documentation as including proprietary information or a trade
21 secret. Disclosures of statements and documents to the attorney
22 general that include information subject to attorney-client
23 privilege or work-product protection do not constitute a waiver
24 of the privilege or protection.
25   The bill requires deployers to use reasonable care to protect
26 individuals from any known or reasonably foreseeable risks of
27 algorithmic discrimination. In any enforcement action brought
28 by the attorney general, there is a rebuttable presumption that
29 a deployer used reasonable care if the deployer implemented
30 a risk management policy and program as detailed in the bill
31 and complied with the bill's requirements regarding impact
32 statements.
33   The bill requires deployers, or a third party contracted by
34 a deployer to use a high-risk AI system, to complete an impact
35 assessment for the high-risk AI system. Requirements for when

1 the impact assessment must be completed and the contents of the
2 impact assessment are detailed in the bill.
3 The bill requires deployers to maintain the most recently
4 completed impact assessment for a high-risk AI system and
5 relevant records supporting the impact assessment for a period of
6 at least three years following the final use of the high-risk AI
7 system.
8 The bill requires deployers to, at least annually, review the
9 deployment of each high-risk AI system used by the deployer to
10 ensure that the high-risk AI system is not causing algorithmic
11 discrimination.
12 The bill requires deployers to disclose to each individual
13 that interacts with the AI system that the individual is
14 interacting with an AI system. Developers who make a high-risk
15 AI system available in this state must cooperate with deployers
16 to allow deployers to fulfill the bill's requirements. A
17 disclosure that an individual is interacting with an AI system
18 is not required in circumstances in which it would be obvious to
19 a reasonable individual that the individual is interacting with
20 an AI system.
21 The bill clarifies that its provisions do not restrict a
22 developer's, deployer's, or other person's abilities to perform
23 certain actions as detailed in the bill.
24 The bill clarifies that its provisions do not apply to a
25 developer, deployer, or other person that develops, uses, or
26 intentionally and substantially modifies a high-risk AI system in
27 certain circumstances detailed in the bill.
28 The bill does not apply to an AI system that is acquired by
29 or for the federal government, a federal agency, or a federal
30 department unless the AI system is a high-risk AI system used to
31 make, or is a factor that would likely alter the outcome of, a
32 decision concerning employment or housing.
33 The bill makes a developer, deployer, or other person
34 responsible for proving an action qualifies for an exclusion from
35 the bill's provisions.

 1 The bill provides the attorney general with exclusive
 2 authority to enforce the bill's provisions.
 3 The bill requires, prior to initiating any action for a
 4 violation of the bill's provisions, the attorney general to issue
 5 a notice of violation to the developer, deployer, or other person
 6 who allegedly violated the bill's provisions. The notice must
 7 contain a specific description of the alleged violation and the
 8 actions the developer, deployer, or other person must take to
 9 cure the violation. The bill authorizes the attorney general
10 to bring an action for the alleged violation if the alleged
11 violation is not cured within 90 days of the date the developer,
12 deployer, or other person received the notice of violation.
13 The bill details under what circumstances a developer,
14 deployer, or other person has an affirmative defense to an
15 alleged violation. The developer, deployer, or other person
16 bears the burden of demonstrating to the attorney general that
17 the person meets the requirements for an affirmative defense.
18 The bill requires, prior to initiating any action under the
19 bill's provisions, the attorney general to consult with the
20 department of health and human services (HHS) to determine
21 whether any complaint has been filed that is founded on the
22 same act or omission that constitutes a violation of the bill's
23 provisions. The attorney general is prohibited from initiating
24 an action to enforce the bill's provisions if a complaint has
25 been filed with HHS relating to the same act or omission that
26 constitutes a violation of the bill's provisions unless the
27 complaint has been fully adjudicated or resolved.
28 The bill does not preempt or otherwise affect any right,
29 claim, remedy, presumption, or defense available at law or
30 in equity. Any rebuttable presumption or affirmative defense
31 established under the bill's provisions applies only to an
32 enforcement action brought by the attorney general and does
33 not apply to any right, claim, remedy, presumption, or defense
34 available at law or in equity.
35 The bill requires the attorney general to post on its internet

1 site how to properly file a complaint for a violation of the
2 bill's provisions.
3   The bill does not provide a basis for a private right of
4 action for violations of the bill's provisions or any other law.
5   The bill requires the attorney general to adopt rules to
6 implement the bill's provisions.
7   A violation of this division of the bill is an unlawful
8 practice under Code section 714.16. Several types of remedies
9 are available if a court finds that a person has committed an
10 unlawful practice, including injunctive relief, disgorgement of
11 moneys or property, and a civil penalty not to exceed $40,000 per
12 violation.