

State AI Regulations

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PRO POINTS

- **Artificial intelligence dominated tech policy discussions in 2023 after generative AI went mainstream, sparking fears over how the technology could harm society or replace human workers.** Governments across the nation — and the world — showed interest in harnessing the power of AI while mitigating those potential harms.
- **Federal lawmakers held a series of exploratory hearings discussing legislative solutions in 2023, but Congress failed to pass any significant AI bill.**
- **The lack of federal action (and Congress' historically sluggish movement on tech policy, like social media) led states to propose and pass their own AI laws and regulations in 2023.** The trend is likely to continue in 2024. Fifteen states passed 20 laws on AI in 2023, and at least 20 states have introduced dozens of AI-related bills so far this year.

HOW WE GOT HERE

The release of OpenAI's ChatGPT in November 2022 created a boom in generative AI use, leading some of Silicon Valley's top tech companies to invest billions of dollars in developing their own tools. The explosion of interest and innovation in the emerging technology also caught the attention of policymakers at the global, federal, state and local levels. Policymakers sought to understand AI's potential to help society, [such as improving health care outcomes for patients](#), but also the tech's potential to harm society, such as [through biased algorithms and workplace surveillance](#).

As the technology continued to advance, concerns rose over how to mitigate those risks. Deepfakes, for example, garnered significant attention from policymakers in recent months as realistic images, video and audio spread [depicting events that never actually happened](#) — especially in the leadup to the 2024 elections. Federal lawmakers held dozens of hearings exploring AI's potential benefits and risks in sectors including defense and financial services. Senate Majority Leader [Chuck Schumer](#) led a series of actions to build up lawmakers' knowledge of AI with the goal of crafting bipartisan legislation. Although several measures in 2023 were introduced, no significant bill passed. Some of the most notable bills include the [National AI Commission Act](#), a bipartisan, bicameral measure that would establish a body of experts

from academia, civil society, government and industry to advise lawmakers on potential AI regulations. Sens. [Gary Peters](#) (D-Mich.) and [John Cornyn](#) (R-Texas) also introduced [a bill](#) that would direct agencies to designate chief AI officers and AI governance boards. Both bills failed to advance out of committee, though [President Joe Biden's executive order on AI](#) did require agencies to appoint chief AI officers and create governance boards, in line with provisions from Peters and Cornyn's bill.

That lack of action [mirrored Congress' failure to regulate social media, according to critics](#). When social media emerged in the 2000s, Congress failed to pass legislation regulating platforms and requiring safeguards. Now, online safety advocates and health professionals point to a growing mental health problem among America's youth as evidence that a lack of federal policy enabled social media companies to develop addictive platforms with harmful algorithms.

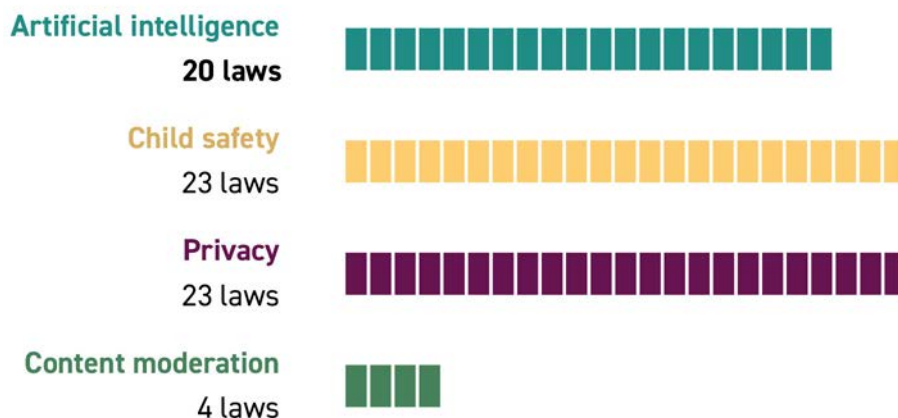
States are stepping in to avoid repeating history. An analysis by BSA | The Software Alliance found 191 AI-related bills were introduced in the states during 2023, a 440 percent increase from 2022. State lawmakers introduced measures to regulate the use of AI in campaign ads, hiring and health care.

Fifteen states [enacted 20 AI-related laws in 2023](#): Eight laws focus on regulating the government's use of AI, three limit the use of AI in campaign communications, six states passed privacy-focused laws that also restrict the use of AI in profiling and other measures relate to AI-generated pornography and establishing research bodies. Governors in states including New Jersey, California, Virginia, Oklahoma and Pennsylvania issued executive orders to study or regulate the government's use of artificial intelligence technologies.

Growing concerns and lawmaker appetite to address AI issues will generate more action in the states this year. Already in 2024, [lawmakers in Oklahoma, California, Florida and several other states](#) have introduced issue-specific and comprehensive AI legislation.

States passed 20 AI laws in 2023

Major technology policy laws passed in 2023, by subject



Note: A total of 65 technology policy laws were passed. Some laws were classified into multiple categories.

Source: Center on Technology Policy at UNC Chapel Hill

Rosmery Izaguirre/POLITICO

WHAT'S NEXT

Forty states will have one-party control this year, making it likely they will easily pass regulations on AI. So far in 2024, more than half of states have introduced measures tackling specific AI-related issues including its use in employment decisions and law enforcement. As of Jan. 26, bills regulating the use of deepfakes in campaign communications have [been introduced in 20 states](#) so far this year.

Most states have introduced legislation regulating deepfakes in elections – but only 5 have enacted laws

States that have introduced and enacted laws regulating the use of deepfakes in election content



Note: Data as of Jan. 29, 2024.
Source: Public Citizen
Rosmery Izaguirre/POLITICO

Nine state legislatures and governors created task forces or other institutions in 2023 to research AI in sectors across the economy and within state agencies, and that trend will continue in 2024. State legislators in Oklahoma have [already introduced a measure](#) to assess the state government’s use of AI. California Democratic state Sen. Steve Padilla [unveiled a package of legislation on Jan. 3](#) that directs the state Department of Technology to set safety standards for AI models used by the government.

Expect to also see legislation or other regulatory action to come out of AI task force and agency reports that will be released in the coming months. For example, [a law passed in Connecticut last year](#) directed an AI working group to develop and submit a report to the state Legislature on best practices for ethical AI use in government and tasks the state’s Office of Policy and Management with developing responsible AI policies and procedures for government agencies, which are both due Feb. 1.

Legislation tackling specific issues related to AI are also expected to pass in states across the board. Now that the 2024 elections are in view, for example, expect to see more [state-level action regulating the use of AI in campaign communications](#). This is an area that generally has been met with bipartisan support, and Michigan, Minnesota and Washington passed laws in 2023 limiting the use of generative AI in campaign ads. Similar legislation is pending in several other states including Florida, New Jersey, Kentucky, Wyoming and New York.

As states continue to act on AI rules, it will create a growing list of differing regulations across state lines, which will likely cause the tech industry to ramp up lobbying efforts – both in statehouses to push for consistency across state laws and in Congress for federal standards.

POWER PLAYERS

- **California:** The Golden State has historically led other states on tech policy, having passed a comprehensive data privacy law and measures on AI. Lawmakers in the state have already introduced AI-related bills, and Gov. Gavin Newsom has shown interest in pursuing continued action on AI.
- **Connecticut:** The state was the first to pass a law regulating the government's use of AI in 2023. Connecticut's history on passing tech legislation also signals that the Legislature is likely to take more action on AI in 2024.
- **New Jersey:** Gov. Phil Murphy and the New Jersey Legislature have taken significant action on tech policy already in 2024, with the Democrat signing the state's comprehensive data privacy law on Jan. 16. Murphy's actions on AI shows he has a similar appetite as Newsom to establish AI rules.
- **U.S. Congress:** Although lawmakers at the federal level are unlikely to pass significant bills on AI, industry lobbying and growing public concerns could push lawmakers to take some action on AI. Any federal action could impact state-level efforts when it comes to AI.