

LFC Requester:

Joseph Simon

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1-24-2024

Bill No: HB 184

Sponsor: Sarinana, Serrato, Chandler & Chasey
Short Title: Government Use of AI Transparency Act

Agency Name and Code Dept. of Information Technology - 36100
Number: Person Raja Sambandam
Writing Raja Sambandam
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-------|---------------------------|---------------|
| FY24 | FY25 | | |
| | \$500 | Non-recurring | General Fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Relates to SB 130 – Artificial Intelligence Work Group.

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 184 (“HB184”) creates the Government Use of Artificial Intelligence Transparency Act (the “Act”), which applies to executive cabinet departments and their administratively attached agencies, contractors, offices, boards, commissions and employees with decision-making authority (collectively referred to as “agency”). The Act requires each agency to annually submit to GSD an inventory of the agency’s artificial intelligence (“AI”) systems, including the name of the system, the vendor, the capabilities and uses of the system,

whether the system is used to independently make, inform or materially support a consequential decision, and whether the system was assessed using local data and the source of other data used. GSD is required to annually submit an aggregate report of the information collected to the governor, the LFC and the legislative committee on science and technology. GSD must also annually “assess” each AI system used by an agency in accordance with the assessment requirements of the Act. HB184 also amends the Procurement Code to add certain disclosure requirements for procurement of a physical or software technology product or service subject to the Act.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

It is unclear how GSD will obtain the information necessary to conduct “assessments” of the agency AI systems; specifically: how the system produces outputs, including the types and sources of data the system uses and how the system's data is collected, weighted and combined; whether the system's outputs are accurate, including the accuracy of predictions of behavior; and whether the system's outputs exhibit bias.

The Act requires GSD to receive agency inventory reports of agency AI systems and assess those systems. Such assessments might be better suited for the Cybersecurity Office as proposed in SB 130.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 130 provides for an AI Work Group.

TECHNICAL ISSUES

While AI systems are not new, they have received more attention recently as they’ve been used in more high impact applications such as assisting states with decision-making related to healthcare, criminal justice, and unemployment, for example. The Artificial Intelligence Work Group is proposed by SB 130 to study AI systems and propose policy and legislation that will explore the risks of AI, guide appropriate use and implement best practices for procurement of AI. The proposals in HB 184 should be studied by the Artificial Intelligence Work Group prior to implementation.

ALTERNATIVES

Consider merging the requirements of HB 184 into SB 130, to require the Artificial Intelligence Work Group to analyze and make recommendations regarding inventory, assessment and reporting on the AI systems that agencies use.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

State agencies (in the executive branch) will continue to use AI systems without having those

systems inventoried and assessed.

AMENDMENTS

Consider amending HB 184 to make the Cybersecurity Office the entity that receives the inventory reports, assesses the AI systems and reports to the governor and the legislature. In addition, IT procurements are overseen by Department of Information Technology to which Office of Cybersecurity and Broadband are administratively attached. Also see the proposal in Alternatives, above.