Senate

General Assembly

File No. 603

January Session, 2025

Substitute Senate Bill No. 2

Senate, April 9, 2025

The Committee on General Law reported through SEN. MARONEY of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ARTIFICIAL INTELLIGENCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective October 1, 2025*) For the purposes of this section and sections 2 to 10, inclusive, of this act, unless the context otherwise requires:

(1) "Algorithmic discrimination" (A) means any use of an artificial intelligence system that results in any unlawful differential treatment or impact that disfavors any individual or group of individuals on the basis of one or more classifications protected under the laws of this state or federal law, and (B) does not include (i) the offer, license or use of a high-risk artificial intelligence system by a developer, integrator or deployer for the sole purpose of (I) the developer's, integrator's or deployer's testing to identify, mitigate or prevent discrimination or otherwise ensure compliance with state and federal law, or (II) expanding an applicant, customer or participant pool to increase diversity or redress historic discrimination, or (ii) an act or omission by or on behalf of a private club or other establishment not in fact open to the public, as set

forth in Title II of the Civil Rights Act of 1964, 42 USC 2000a(e), as amended from time to time;

(2) "Artificial intelligence system" means any machine-based system that, for any explicit or implicit objective, infers from the inputs such system receives how to generate outputs, including, but not limited to, content, decisions, predictions or recommendations, that can influence physical or virtual environments;

(3) "Consequential decision" means any decision or judgment that has a material legal or similarly significant effect on a consumer with respect to (A) access to employment, including, but not limited to, any such decision or judgment made concerning hiring, termination, compensation or promotion, (B) access to education or vocational training, including, but not limited to, any such decision or judgment made concerning admissions, financial aid or scholarships, (C) the provision or denial, or terms and conditions, of (i) financial lending or credit services, (ii) housing or lodging, including, but not limited to, rentals or short-term housing or lodging, (iii) insurance, or (iv) legal services, or (D) access to (i) essential government services, or (ii) health care services;

(4) "Consumer" means any individual who is a resident of this state;

(5) "Deploy" means to put a high-risk artificial intelligence system into use;

(6) "Deployer" means any person doing business in this state that deploys a high-risk artificial intelligence system in this state;

(7) "Developer" means any person doing business in this state that develops, or intentionally and substantially modifies, an artificial intelligence system;

(8) "General-purpose artificial intelligence model" (A) means a model used by an artificial intelligence system that (i) displays significant generality, (ii) is capable of competently performing a wide range of distinct tasks, and (iii) can be integrated into a variety of downstream

applications or systems, and (B) does not include any artificial intelligence model that is used for development, prototyping and research activities before such artificial intelligence model is released on the market;

(9) "High-risk artificial intelligence system" (A) means any artificial intelligence system that is intended, when deployed, to make, or be a substantial factor in making, a consequential decision, and (B) unless the technology or system, when deployed, makes, or is a substantial factor in making, a consequential decision, does not include (i) any anti-fraud technology that does not make use of facial recognition technology, (ii) any artificial intelligence-enabled video game technology, (iii) any anti-malware, anti-virus, calculator, cybersecurity, database, data storage, firewall, Internet domain registration, Internet-web-site loading, networking, robocall-filtering, spam-filtering, spellchecking, spreadsheet, web-caching, web-hosting or similar technology, (iv) any technology that performs tasks exclusively related to an entity's internal management affairs, including, but not limited to, ordering office supplies or processing payments, (v) any system that classifies incoming documents into categories, is used to detect duplicate applications among a large number of applications or otherwise performs narrow tasks of such a limited nature that performance of such tasks poses a limited risk of algorithmic discrimination, (vi) any technology that merely detects decision-making patterns or deviations from prior decision-making patterns following a previously completed human assessment that such technology is not meant to replace or influence without sufficient human review, including, but not limited to, any technology that analyzes a particular decision-maker's prior pattern of decisions and flags potential inconsistencies or anomalies, or (vii) any technology that communicates with consumers in natural language for the purpose of providing users with information, making referrals or recommendations and answering questions, and is subject to an acceptable use policy that prohibits generating content that is discriminatory or harmful;

(10) "Integrator" means any person doing business in this state that,

with respect to a given high-risk artificial intelligence system, (A) neither develops nor intentionally and substantially modifies the high-risk artificial intelligence system, and (B) integrates the high-risk artificial intelligence system into a product or service such person offers to any other person;

(11) "Intentional and substantial modification" (A) means any deliberate material change made to (i) an artificial intelligence system that was not predetermined by a developer and materially increases the risk of algorithmic discrimination, or (ii) a general-purpose artificial intelligence model that (I) affects compliance of the general-purpose artificial intelligence model, (II) materially changes the purpose of the general-purpose artificial intelligence model, or (III) materially increases the risk of algorithmic discrimination, and (B) does not include any change made to a high-risk artificial intelligence system, or the performance of a high-risk artificial intelligence system, if (i) the high-risk artificial intelligence system continues to learn after such high-risk artificial intelligence system is (I) offered, sold, leased, licensed, given or otherwise made available to a deployer, or (II) deployed, and (ii) such change (I) is made to such high-risk artificial intelligence system as a result of any learning described in subparagraph (B)(i) of this subdivision, (II) was predetermined by the deployer, or the third party contracted by the deployer, when such deployer or third party completed the initial impact assessment of such high-risk artificial intelligence system pursuant to subsection (c) of section 4 of this act, and (III) is included in the technical documentation for such high-risk artificial intelligence system;

(12) "Person" means any individual, association, corporation, limited liability company, partnership, trust or other legal entity;

(13) "Red-teaming" means an adversarial exercise that is conducted to identify the potential adverse behaviors or outcomes of an artificial intelligence system, identify how such behaviors or outcomes occur and stress test the safeguards against such behaviors or outcomes;

(14) "Substantial factor" (A) means a factor that (i) alters the outcome

of a consequential decision, and (ii) is generated by an artificial intelligence system, (B) includes, but is not limited to, any use of an artificial intelligence system to generate any content, decision, prediction or recommendation concerning a consumer that is used as a basis to make a consequential decision concerning the consumer, and (C) does not include any output produced by an artificial intelligence system where an individual was involved in the data processing that produced such output and such individual (i) meaningfully considered such data as part of such data processing, and (ii) had the authority to change or influence the output produced by such data processing;

(15) "Synthetic digital content" means any digital content, including, but not limited to, any audio, image, text or video, that is produced or manipulated by an artificial intelligence system, including, but not limited to, a general-purpose artificial intelligence model; and

(16) "Trade secret" has the same meaning as provided in section 35-51 of the general statutes.

Sec. 2. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1, 2026, a developer of a high-risk artificial intelligence system shall use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination arising from the intended and contracted uses of the high-risk artificial intelligence system. In any enforcement action brought on or after said date by the Attorney General pursuant to section 10 of this act, there shall be a rebuttable presumption that a developer used reasonable care as required under this subsection if the developer complied with the provisions of this section or, if the developer enters into a contract with an integrator as set forth in subsection (b) of section 3 of this act, the developer and integrator complied with the provisions of this section and section 3 of this act.

(b) Except as provided in subsection (c) of section 3 of this act, a developer of a high-risk artificial intelligence system shall, beginning on October 1, 2026, make available to each deployer, or other developer, of the high-risk artificial intelligence system:

(1) A general statement describing the intended uses, and the known harmful or inappropriate uses, of such high-risk artificial intelligence system;

(2) (A) Documentation disclosing (i) high-level summaries of the type of data used to train such high-risk artificial intelligence system, (ii) the known or reasonably foreseeable limitations of such high-risk artificial intelligence system, including, but not limited to, the known or reasonably foreseeable risks of algorithmic discrimination arising from the intended uses of such high-risk artificial intelligence system, (iii) the purpose of such high-risk artificial intelligence system, and (iv) the intended benefits and uses of such high-risk artificial intelligence system, and (B) any additional documentation that is reasonably necessary to assist such deployer or other developer to understand the outputs, and monitor the performance, of such high-risk artificial intelligence system to enable such deployer or other developer to comply with the provisions of sections 1 to 10, inclusive, of this act; and

(3) Documentation describing (A) how such high-risk artificial intelligence system was evaluated for performance, and mitigation of algorithmic discrimination, before such high-risk artificial intelligence system was offered, sold, leased, licensed, given or otherwise made available to such deployer, (B) the data governance measures used to cover the training datasets and the measures used to examine the suitability of data sources, possible biases and appropriate mitigation, (C) the intended outputs of such high-risk artificial intelligence system, (D) the measures the developer has taken to mitigate any known or reasonably foreseeable risks of algorithmic discrimination that may arise from deployment of such high-risk artificial intelligence system, and (E) how such high-risk artificial intelligence system is intended to be used, based on known or reasonably foreseeable harmful or inappropriate applications, and be monitored by an individual when such high-risk artificial intelligence system is used to make, or as a substantial factor in making, a consequential decision.

(c) (1) Except as provided in subsection (c) of section 3 of this act, any

developer that, on or after October 1, 2026, offers, sells, leases, licenses, gives or otherwise makes available to a deployer or another developer a high-risk artificial intelligence system shall, to the extent feasible, make available to the deployers and other developers of such high-risk artificial intelligence system the documentation and information necessary for a deployer, or the third party contracted by a deployer, to complete an impact assessment pursuant to subsection (c) of section 4 of this act. The developer shall make such documentation and information available through artifacts such as system cards or other impact assessments.

(2) A developer that also serves as a deployer for any high-risk artificial intelligence system shall not be required to generate the documentation required by this section unless such high-risk artificial intelligence system is provided to another person that serves as a deployer for such high-risk artificial intelligence system.

(d) (1) Beginning on October 1, 2026, each developer shall make available, in a manner that is clear and readily available on such developer's Internet web site or in a public use case inventory, a statement summarizing:

(A) The types of high-risk artificial intelligence systems that such developer (i) has developed or intentionally and substantially modified, and (ii) currently makes available to a deployer or another developer; and

(B) How such developer manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from the intended uses of the types of high-risk artificial intelligence systems described in subparagraph (A) of this subdivision.

(2) Each developer shall update the statement made available pursuant to subdivision (1) of this subsection (A) as necessary to ensure that such statement remains accurate, and (B) not later than ninety days after the developer intentionally and substantially modifies any high-risk artificial intelligence system described in subparagraph (A) of

subdivision (1) of this subsection.

(3) Where multiple developers contribute to the development of a high-risk artificial intelligence system, each developer shall be subject to the obligations applicable to developers under sections 1 to 10, inclusive, of this act solely with respect to the activities the developer performed in contributing to the development of such high-risk artificial intelligence system.

(e) Beginning on October 1, 2026, a developer of a high-risk artificial intelligence system shall disclose to the Attorney General, in a form and manner prescribed by the Attorney General, and to all known deployers or other developers of the high-risk artificial intelligence system, any previously disclosed known or reasonably foreseeable risks of algorithmic discrimination arising from the intended uses of such high-risk artificial intelligence system. The developer shall make such disclosures without unreasonable delay but in no event later than ninety days after the date on which:

(1) The developer discovers, through the developer's ongoing testing and analysis, that the high-risk artificial intelligence system has (A) been deployed, and (B) caused, or is reasonably likely to have caused, algorithmic discrimination to at least one thousand consumers; or

(2) The developer receives, from a deployer of the high-risk artificial intelligence system, a credible report disclosing that such high-risk artificial intelligence system has (A) been deployed, and (B) caused algorithmic discrimination to at least one thousand consumers.

(f) The provisions of subsections (b) to (e), inclusive, of this section shall not be construed to require a developer to disclose any information (1) that is a trade secret or otherwise protected from disclosure under state or federal law, or (2) the disclosure of which would present a security risk to the developer.

(g) Notwithstanding the provisions of subsections (a) to (f), inclusive, of this section, (1) any documentation a developer completes for the

purpose of complying with another applicable law or regulation shall be deemed to satisfy the requirements established in this section if such documentation is reasonably similar in scope and effect to the documentation the developer would otherwise be required to complete pursuant to this section, and (2) a developer may contract with a third party to fulfill the developer's duties under this section.

(h) Beginning on October 1, 2026, the Attorney General may require that a developer disclose to the Attorney General, as part of an investigation conducted by the Attorney General regarding a suspected violation of any provision of sections 1 to 10, inclusive, of this act and in a form and manner prescribed by the Attorney General, the general statement or documentation described in subsection (b) of this section. The Attorney General may evaluate such general statement or documentation to ensure compliance with the provisions of this section. In disclosing such general statement or documentation to the Attorney General pursuant to this subsection, the developer may designate such general statement or documentation as including any information that is exempt from disclosure under subsection (f) of this section or the Freedom of Information Act, as defined in section 1-200 of the general statutes. To the extent such general statement or documentation includes such information, such general statement or documentation shall be exempt from disclosure under subsection (f) of this section or said act. To the extent any information contained in such general statement or documentation is subject to the attorney-client privilege or work product protection, such disclosure shall not constitute a waiver of such privilege or protection.

Sec. 3. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1, 2026, if an integrator integrates a high-risk artificial intelligence system into a product or service the integrator offers to any other person, such integrator shall use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination arising from the intended and contracted uses of such integrated high-risk artificial intelligence system. In any enforcement action brought on or after said date by the Attorney General pursuant to section 10 of this

act, there shall be a rebuttable presumption that the integrator used reasonable care as required under this subsection if the integrator complied with the provisions of this section.

(b) Beginning on October 1, 2026, no integrator shall integrate a high-risk artificial intelligence system into a product or service the integrator offers to any other person unless the integrator has entered into a contract with the developer of the high-risk artificial intelligence system. The contract shall be binding and clearly set forth the duties of the developer and integrator with respect to the integrated high-risk artificial intelligence system, including, but not limited to, whether the developer or integrator shall be responsible for performing the developer's duties under subsections (b) and (c) of section 2 of this act.

(c) The provisions of subsections (b) and (c) of section 2 of this act shall not apply to a developer of an integrated high-risk artificial intelligence system if, at all times while the integrated high-risk artificial intelligence system is integrated into a product or service an integrator offers to any other person, the developer has entered into a contract with the integrator in which such integrator has agreed to assume the developer's duties under subsections (b) and (c) of section 2 of this act.

(d) (1) Beginning on October 1, 2026, each integrator shall make available, in a manner that is clear and readily available on such integrator's Internet web site or in a public use case inventory, a statement summarizing:

(A) The types of high-risk artificial intelligence systems that such integrator has integrated into products or services such integrator currently offers to any other person; and

(B) How such integrator manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from the types of high-risk artificial intelligence systems described in subparagraph (A) of this subdivision.

(2) Each integrator shall update the statement made available

pursuant to subdivision (1) of this subsection (A) as necessary to ensure that such statement remains accurate, and (B) not later than ninety days after an intentional and substantial modification is made to any high-risk artificial intelligence system described in subparagraph (A) of subdivision (1) of this subsection.

(e) The provisions of subsections (b) to (d), inclusive, of this section shall not be construed to require a developer or integrator to disclose any information (1) that is a trade secret or otherwise protected from disclosure under state or federal law, or (2) the disclosure of which would present a security risk to the developer or integrator.

(f) Beginning on October 1, 2026, the Attorney General may require that an integrator which has assumed a developer's duties under subsection (c) of section 2 of this act disclose to the Attorney General, as part of an investigation conducted by the Attorney General regarding a suspected violation of any provision of sections 1 to 10, inclusive, of this act and in a form and manner prescribed by the Attorney General, the general statement or documentation described in said subsection. The Attorney General may evaluate such general statement or documentation to ensure compliance with the provisions of this section and section 2 of this act. In disclosing such general statement or documentation to the Attorney General pursuant to this subsection, the integrator may designate such general statement or documentation as including any information that is exempt from disclosure under subsection (e) of this section or the Freedom of Information Act, as defined in section 1-200 of the general statutes. To the extent such general statement or documentation includes such information, such general statement or documentation shall be exempt from disclosure under subsection (e) of this section or said act. To the extent any information contained in such general statement or documentation is subject to the attorney-client privilege or work product protection, such disclosure shall not constitute a waiver of such privilege or protection.

Sec. 4. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1, 2026, each deployer of a high-risk artificial intelligence system shall use

reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination. In any enforcement action brought on or after said date by the Attorney General pursuant to section 10 of this act, there shall be a rebuttable presumption that a deployer of a high-risk artificial intelligence system used reasonable care as required under this subsection if the deployer complied with the provisions of this section.

(b) (1) Beginning on October 1, 2026, and except as provided in subsection (g) of this section, each deployer of a high-risk artificial intelligence system shall implement and maintain a risk management policy and program to govern such deployer's deployment of the high-risk artificial intelligence system. The risk management policy and program shall specify and incorporate the principles, processes and personnel that the deployer shall use to identify, document and mitigate any known or reasonably foreseeable risks of algorithmic discrimination. The risk management policy shall be the product of an iterative process, the risk management program shall be an iterative process and both the risk management policy and program shall be planned, implemented and regularly and systematically reviewed and updated over the lifecycle of the high-risk artificial intelligence system. Each risk management policy and program implemented and maintained pursuant to this subsection shall be reasonable, considering:

(A) The guidance and standards set forth in the latest version of (i) the "Artificial Intelligence Risk Management Framework" published by the National Institute of Standards and Technology, (ii) ISO or IEC 42001 of the International Organization for Standardization, or (iii) a nationally or internationally recognized risk management framework for artificial intelligence systems, other than the guidance and standards specified in subparagraphs (A)(i) and (A)(ii) of this subdivision, that imposes requirements that are substantially equivalent to, and at least as stringent as, the requirements set forth in this section for risk management policies and programs;

(B) The size and complexity of the deployer;

(C) The nature and scope of the high-risk artificial intelligence systems deployed by the deployer, including, but not limited to, the intended uses of such high-risk artificial intelligence systems; and

(D) The sensitivity and volume of data processed in connection with the high-risk artificial intelligence systems deployed by the deployer.

(2) A risk management policy and program implemented and maintained pursuant to subdivision (1) of this subsection may cover multiple high-risk artificial intelligence systems deployed by the deployer.

(c) (1) Except as provided in subdivisions (3) and (4) of this subsection and subsection (g) of this section:

(A) A deployer that deploys a high-risk artificial intelligence system on or after October 1, 2026, or a third party contracted by the deployer, shall complete an impact assessment of the high-risk artificial intelligence system; and

(B) Beginning on October 1, 2026, a deployer, or a third party contracted by the deployer, shall complete an impact assessment of a deployed high-risk artificial intelligence system (i) at least annually, and (ii) not later than ninety days after an intentional and substantial modification to such high-risk artificial intelligence system is made available.

(2) (A) Each impact assessment completed pursuant to this subsection shall include, at a minimum and to the extent reasonably known by, or available to, the deployer:

(i) A statement by the deployer disclosing the purpose, intended use cases and deployment context of, and benefits afforded by, the high-risk artificial intelligence system;

(ii) An analysis of whether the deployment of the high-risk artificial intelligence system poses any known or reasonably foreseeable risks of algorithmic discrimination and, if so, the nature of such algorithmic

discrimination and the steps that have been taken to mitigate such risks;

(iii) A description of (I) the categories of data the high-risk artificial intelligence system processes as inputs, and (II) the outputs such high-risk artificial intelligence system produces;

(iv) If the deployer used data to customize the high-risk artificial intelligence system, an overview of the categories of data the deployer used to customize such high-risk artificial intelligence system;

(v) Any metrics used to evaluate the performance and known limitations of the high-risk artificial intelligence system;

(vi) A high-level description of any transparency measures taken concerning the high-risk artificial intelligence system, including, but not limited to, any measures taken to disclose to a consumer that such high-risk artificial intelligence system is in use when such high-risk artificial intelligence system is in use; and

(vii) A high-level description of the post-deployment monitoring and user safeguards provided concerning such high-risk artificial intelligence system, including, but not limited to, the oversight, use and learning process established by the deployer to address issues arising from deployment of such high-risk artificial intelligence system.

(B) In addition to the statement, analysis, descriptions, overview and metrics required under subparagraph (A) of this subdivision, an impact assessment completed pursuant to this subsection following an intentional and substantial modification made to a high-risk artificial intelligence system on or after October 1, 2026, shall include a high-level statement disclosing the extent to which the high-risk artificial intelligence system was used in a manner that was consistent with, or varied from, the developer's intended uses of such high-risk artificial intelligence system.

(3) A single impact assessment may address a comparable set of high-risk artificial intelligence systems deployed by a deployer.

(4) If a deployer, or a third party contracted by the deployer, completes an impact assessment for the purpose of complying with another applicable law or regulation, such impact assessment shall be deemed to satisfy the requirements established in this subsection if such impact assessment is reasonably similar in scope and effect to the impact assessment that would otherwise be completed pursuant to this subsection.

(5) A deployer shall maintain the most recently completed impact assessment of a high-risk artificial intelligence system as required under this subsection, all records concerning each such impact assessment and all prior impact assessments, if any, for a period of at least three years following the final deployment of the high-risk artificial intelligence system.

(d) Except as provided in subsection (g) of this section, a deployer, or a third party contracted by the deployer, shall review, not later than October 1, 2026, and at least annually thereafter, the deployment of each high-risk artificial intelligence system deployed by the deployer to ensure that such high-risk artificial intelligence system is not causing algorithmic discrimination.

(e) (1) Beginning on October 1, 2026, and before a deployer deploys a high-risk artificial intelligence system to make, or be a substantial factor in making, a consequential decision concerning a consumer, the deployer shall:

(A) Notify the consumer that the deployer has deployed a high-risk artificial intelligence system to make, or be a substantial factor in making, such consequential decision; and

(B) Provide to the consumer (i) a statement disclosing (I) the purpose of such high-risk artificial intelligence system, and (II) the nature of such consequential decision, (ii) if applicable, information concerning the consumer's right, under subparagraph (C) of subdivision (5) of subsection (a) of section 42-518 of the general statutes, to opt-out of the processing of the consumer's personal data for the purposes set forth in

said subparagraph, (iii) contact information for such deployer, (iv) a description, in plain language, of such high-risk artificial intelligence system, and (v) instructions on how to access the statement made available pursuant to subdivision (1) of subsection (f) of this section.

(2) Beginning on October 1, 2026, a deployer that has deployed a high-risk artificial intelligence system to make, or as a substantial factor in making, a consequential decision concerning a consumer shall, if such consequential decision is adverse to the consumer, provide to such consumer:

(A) A high-level statement disclosing the principal reason or reasons for such adverse consequential decision, including, but not limited to, (i) the degree to which, and manner in which, the high-risk artificial intelligence system contributed to such adverse consequential decision, (ii) the type of data that were processed by such high-risk artificial intelligence system in making such adverse consequential decision, and (iii) the source of the data described in subparagraph (A)(ii) of this subdivision;

(B) An opportunity to (i) examine the personal data that the high-risk artificial intelligence system processed in making, or as a substantial factor in making, such adverse consequential decision, and (ii) correct any incorrect personal data described in subparagraph (B)(i) of this subdivision; and

(C) (i) Except as provided in subparagraph (C)(ii) of this subdivision, an opportunity to appeal such adverse consequential decision if such adverse consequential decision is based upon inaccurate personal data, taking into account both the nature of such personal data and the purpose for which such personal data was processed. Such appeal shall, if technically feasible, allow for human review.

(ii) No deployer shall be required to provide an opportunity to appeal pursuant to subparagraph (C)(i) of this subdivision in any instance in which providing such opportunity to appeal is not in the best interest of the consumer, including, but not limited to, in any instance in which any

delay might pose a risk to the life or safety of the consumer.

(3) The deployer shall provide the notice, statements, information, description and instructions required under subdivisions (1) and (2) of this subsection:

(A) Directly to the consumer;

(B) In plain language;

(C) In all languages in which such deployer, in the ordinary course of such deployer's business, provides contracts, disclaimers, sale announcements and other information to consumers; and

(D) In a format that is accessible to consumers with disabilities.

(f) (1) Beginning on October 1, 2026, and except as provided in subsection (g) of this section, each deployer shall make available, in a manner that is clear and readily available on such deployer's Internet web site, a statement summarizing:

(A) The types of high-risk artificial intelligence systems that are currently deployed by such deployer;

(B) How such deployer manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from deployment of each high-risk artificial intelligence system described in subparagraph (A) of this subdivision;

(C) In detail, the nature, source and extent of the information collected and used by such deployer; and

(D) How the consumer may exercise rights under section 42-518 of the general statutes by the secure and reliable means established and described pursuant to subsection (b) of section 42-518 of the general statutes.

(2) Each deployer shall periodically update the statement made available pursuant to subdivision (1) of this subsection.

(g) The provisions of subsections (b) to (d), inclusive, of this section and subsection (f) of this section shall not apply to a deployer if, at the time the deployer deploys a high-risk artificial intelligence system and at all times while the high-risk artificial intelligence system is deployed:

(1) The deployer (A) has entered into a contract with the developer in which the developer has agreed to assume the deployer's duties under subsections (b) to (d), inclusive, of this section and subsection (f) of this section, and (B) does not exclusively use such deployer's own data to train such high-risk artificial intelligence system;

(2) Such high-risk artificial intelligence system (A) is used for the intended uses that are disclosed to such deployer as set forth in subparagraph (A)(iv) of subdivision (2) of subsection (b) of section 2 of this act, and (B) continues learning based on a broad range of data sources and not solely based on the deployer's own data; and

(3) Such deployer makes available to consumers any impact assessment that (A) the developer of such high-risk artificial intelligence system has completed and provided to such deployer, and (B) includes information that is substantially similar to the information included in the statement, analysis, descriptions, overview and metrics required under subparagraph (A) of subdivision (2) of subsection (c) of this section.

(h) If a deployer deploys a high-risk artificial intelligence system on or after October 1, 2026, and subsequently discovers that the high-risk artificial intelligence system has caused algorithmic discrimination to at least one thousand consumers, the deployer shall send to the Attorney General, in a form and manner prescribed by the Attorney General, a notice disclosing such discovery. The deployer shall send such notice to the Attorney General without unreasonable delay but in no event later than ninety days after the date on which the deployer discovered such algorithmic discrimination.

(i) Nothing in subsections (b) to (h), inclusive, of this section shall be construed to require a deployer to disclose any information that is a

trade secret or otherwise protected from disclosure under state or federal law. If a deployer withholds any information from a consumer under this subsection, the deployer shall send notice to the consumer disclosing (1) that the deployer is withholding such information from such consumer, and (2) the basis for the deployer's decision to withhold such information from such consumer.

(j) Beginning on October 1, 2026, the Attorney General may require that a deployer, or a third party contracted by the deployer as set forth in subsection (c) of this section, as applicable, disclose to the Attorney General, as part of an investigation conducted by the Attorney General regarding a suspected violation of any provision of sections 1 to 10, inclusive, of this act, not later than ninety days after a request by the Attorney General and in a form and manner prescribed by the Attorney General, the risk management policy implemented pursuant to subsection (b) of this section, impact assessment completed pursuant to subsection (c) of this section or records maintained pursuant to subdivision (5) of subsection (c) of this section. The Attorney General may evaluate such risk management policy, impact assessment or records to ensure compliance with the provisions of this section. In disclosing such risk management policy, impact assessment or records to the Attorney General pursuant to this subsection, the deployer or third-party contractor, as applicable, may designate such risk management policy, impact assessment or records as including any information that is exempt from disclosure under subsection (i) of this section or the Freedom of Information Act, as defined in section 1-200 of the general statutes. To the extent such risk management policy, impact assessment or records include such information, such risk management policy, impact assessment or records shall be exempt from disclosure under subsection (i) of this section or said act. To the extent any information contained in such risk management policy, impact assessment or record is subject to the attorney-client privilege or work product protection, such disclosure shall not constitute a waiver of such privilege or protection.

Sec. 5. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1,

2026, each developer of a general-purpose artificial intelligence model that is capable of being used by a high-risk artificial intelligence system shall, to the extent feasible and except as provided in subsection (b) of this section, make available to:

(1) Each deployer of such general-purpose artificial intelligence model, through artifacts such as system cards or other impact assessments, the documentation and information necessary for such deployer, or a third party contracted by such deployer, to complete an impact assessment pursuant to subsection (c) of section 4 of this act; and

(2) Each deployer or other developer of such general-purpose artificial intelligence model any additional documentation that is reasonably necessary to assist such deployer or other developer to understand the outputs, and monitor the performance, of the general-purpose artificial intelligence model to enable such deployer or other developer to comply with the provisions of sections 1 to 10, inclusive, of this act.

(b) (1) The provisions of subsection (a) of this section shall not apply to a developer that develops, or intentionally and substantially modifies, a general-purpose artificial intelligence model on or after October 1, 2026, if:

(A) (i) The developer releases such general-purpose artificial intelligence model under a free and open-source license that allows for (I) access to, and modification, distribution and usage of, such general-purpose artificial intelligence model, and (II) the parameters of such general-purpose artificial intelligence model to be made publicly available as set forth in subparagraph (A)(ii) of this subdivision; and

(ii) Unless such general-purpose artificial intelligence model is deployed as a high-risk artificial intelligence system, the parameters of such general-purpose artificial intelligence model, including, but not limited to, the weights and information concerning the model architecture and model usage for such general-purpose artificial intelligence model, are made publicly available; or

(B) The general-purpose artificial intelligence model is (i) not offered for sale in the market, (ii) not intended to interact with consumers, and (iii) solely utilized (I) for an entity's internal purposes, or (II) under an agreement between multiple entities for such entities' internal purposes.

(2) The provisions of this section shall not apply to a developer that develops, or intentionally and substantially modifies, a general-purpose artificial intelligence model on or after October 1, 2026, if such general-purpose artificial intelligence model performs tasks exclusively related to an entity's internal management affairs, including, but not limited to, ordering office supplies or processing payments.

(3) A developer that takes any action under an exemption established in subdivision (1) or (2) of this subsection shall bear the burden of demonstrating that such action qualifies for such exemption.

(4) A developer that is exempt under subparagraph (B) of subdivision (1) of this subsection shall establish and maintain an artificial intelligence risk management framework, which framework shall (A) be the product of an iterative process and ongoing efforts, and (B) include, at a minimum, (i) an internal governance function, (ii) a map function that shall establish the context to frame risks, (iii) a risk management function, and (iv) a function to measure identified risks by assessing, analyzing and tracking such risks.

(c) Nothing in subsection (a) of this section shall be construed to require a developer to disclose any information that is a trade secret or otherwise protected from disclosure under state or federal law.

(d) Beginning on October 1, 2026, the Attorney General may require that a developer disclose to the Attorney General, as part of an investigation conducted by the Attorney General regarding a suspected violation of any provision of sections 1 to 10, inclusive, of this act, not later than ninety days after a request by the Attorney General and in a form and manner prescribed by the Attorney General, any documentation maintained pursuant to this section. The Attorney General may evaluate such documentation to ensure compliance with

the provisions of this section. In disclosing any documentation to the Attorney General pursuant to this subsection, the developer may designate such documentation as including any information that is exempt from disclosure under subsection (c) of this section or the Freedom of Information Act, as defined in section 1-200 of the general statutes. To the extent such documentation includes such information, such documentation shall be exempt from disclosure under subsection (c) of this section or said act. To the extent any information contained in such documentation is subject to the attorney-client privilege or work product protection, such disclosure shall not constitute a waiver of such privilege or protection.

Sec. 6. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1, 2026, and except as provided in subsection (b) of this section, each person doing business in this state, including, but not limited to, each deployer that deploys, offers, sells, leases, licenses, gives or otherwise makes available, as applicable, any artificial intelligence system that is intended to interact with consumers shall ensure that it is disclosed to each consumer who interacts with such artificial intelligence system that such consumer is interacting with an artificial intelligence system.

(b) No disclosure shall be required under subsection (a) of this section under circumstances in which a reasonable person would deem it obvious that such person is interacting with an artificial intelligence system.

Sec. 7. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1, 2026, and except as provided in subsections (b) and (c) of this section, the developer of an artificial intelligence system, including, but not limited to, a general-purpose artificial intelligence model, that is capable of generating synthetic digital content shall:

(1) Ensure that the outputs of such artificial intelligence system are marked and detectable as synthetic digital content, and that such outputs are so marked and detectable (A) not later than the time that consumers who did not create such outputs first interact with, or are exposed to, such outputs, and (B) in a manner that (i) is detectable by

consumers, and (ii) complies with any applicable accessibility requirements; and

(2) As far as technically feasible and in a manner that is consistent with any nationally or internationally recognized technical standards, ensure that such developer's technical solutions are effective, interoperable, robust and reliable, considering (A) the specificities and limitations of different types of synthetic digital content, (B) the implementation costs, and (C) the generally acknowledged state of the art.

(b) If the synthetic digital content described in subsection (a) of this section is in an audio, image or video format, and such synthetic digital content forms part of an evidently artistic, creative, satirical, fictional analogous work or program, the disclosure required under said subsection shall be limited to a disclosure that does not hinder the display or enjoyment of such work or program.

(c) The provisions of subsection (a) of this section shall not apply:

(1) To any synthetic digital content that (A) consists exclusively of text, (B) is published to inform the public on any matter of public interest, or (C) is unlikely to mislead a reasonable person consuming such synthetic digital content; or

(2) To the extent that any artificial intelligence system described in subsection (a) of this section (A) performs an assistive function for standard editing, (B) does not substantially alter the input data provided by the developer or the semantics thereof, or (C) is used to detect, prevent, investigate or prosecute any crime where authorized by law.

Sec. 8. (NEW) (*Effective October 1, 2025*) (a) Nothing in sections 1 to 10, inclusive, of this act shall be construed to restrict a developer's, integrator's, deployer's or other person's ability to:

(1) Comply with any federal, state or municipal law, ordinance or regulation;

(2) Comply with a civil, criminal or regulatory inquiry, investigation, subpoena or summons by a federal, state, municipal or other governmental authority;

(3) Cooperate with a law enforcement agency concerning conduct or activity that the developer, integrator, deployer or other person reasonably and in good faith believes may violate federal, state or municipal law;

(4) Investigate, establish, exercise, prepare for or defend a legal claim;

(5) Take immediate steps to protect an interest that is essential for the life or physical safety of a consumer or another individual;

(6) (A) By any means other than facial recognition technology, prevent, detect, protect against or respond to (i) a security incident, (ii) a malicious or deceptive activity, or (iii) identity theft, fraud, harassment or any other illegal activity, (B) investigate, report or prosecute the persons responsible for any action described in subparagraph (A) of this subdivision, or (C) preserve the integrity or security of systems;

(7) Engage in public or peer-reviewed scientific or statistical research in the public interest that (A) adheres to all other applicable ethics and privacy laws, and (B) is conducted in accordance with (i) 45 CFR Part 46, as amended from time to time, or (ii) relevant requirements established by the federal Food and Drug Administration;

(8) Conduct research, testing, development and integration activities regarding an artificial intelligence system or model, other than testing conducted under real world conditions, before such artificial intelligence system or model is placed on the market, deployed or put into service, as applicable;

(9) Effectuate a product recall;

(10) Identify and repair technical errors that impair existing or intended functionality; or

(11) Assist another developer, integrator, deployer or person with any of the obligations imposed under sections 1 to 10, inclusive, of this act.

(b) The obligations imposed on developers, integrators, deployers or other persons under sections 1 to 10, inclusive, of this act shall not apply where compliance by the developer, integrator, deployer or other person with said sections would violate an evidentiary privilege under the laws of this state.

(c) Nothing in sections 1 to 10, inclusive, of this act shall be construed to impose any obligation on a developer, integrator, deployer or other person that adversely affects the rights or freedoms of any person, including, but not limited to, the rights of any person (1) to freedom of speech or freedom of the press guaranteed in (A) the First Amendment to the United States Constitution, and (B) section 5 of article first of the Constitution of the state, or (2) under section 52-146t of the general statutes.

(d) Nothing in sections 1 to 10, inclusive, of this act shall be construed to apply to any developer, integrator, deployer or other person:

(1) Insofar as such developer, integrator, deployer or other person develops, integrates, deploys, puts into service or intentionally and substantially modifies, as applicable, a high-risk artificial intelligence system (A) that has been approved, authorized, certified, cleared, developed, integrated or granted by (i) a federal agency, such as the federal Food and Drug Administration or the Federal Aviation Administration, acting within the scope of such federal agency's authority, or (ii) a regulated entity subject to supervision and regulation by the Federal Housing Finance Agency, or (B) in compliance with standards that are (i) established by (I) any federal agency, including, but not limited to, the federal Office of the National Coordinator for Health Information Technology, or (II) a regulated entity subject to supervision and regulation by the Federal Housing Finance Agency, and (ii) substantially equivalent to, and at least as stringent as, the standards established in sections 1 to 10, inclusive, of this act;

(2) Conducting research to support an application (A) for approval or certification from any federal agency, including, but not limited to, the Federal Aviation Administration, the Federal Communications Commission or the federal Food and Drug Administration, or (B) that is otherwise subject to review by any federal agency;

(3) Performing work under, or in connection with, a contract with the United States Department of Commerce, the United States Department of Defense or the National Aeronautics and Space Administration, unless such developer, integrator, deployer or other person is performing such work on a high-risk artificial intelligence system that is used to make, or as a substantial factor in making, a decision concerning employment or housing;

(4) That facilitates or engages in the provision of telehealth services or is a covered entity within the meaning of the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, and the regulations promulgated thereunder, as both may be amended from time to time, and providing health care recommendations that (A) are generated by an artificial intelligence system, (B) require a health care provider to take action to implement such recommendations, and (C) are not considered to be high risk; or

(5) Who is an active participant in the artificial intelligence regulatory sandbox program designed, established and administered under section 12 of this act, and is engaged in activities within the scope of such program in accordance with the provisions of section 12 of this act.

(e) Nothing in sections 1 to 10, inclusive, of this act shall be construed to apply to any artificial intelligence system that is acquired by or for the federal government or any federal agency or department, including, but not limited to, the United States Department of Commerce, the United States Department of Defense or the National Aeronautics and Space Administration, unless such artificial intelligence system is a high-risk artificial intelligence system that is used to make, or as a substantial factor in making, a decision concerning employment or housing.

(f) Any insurer, as defined in section 38a-1 of the general statutes, fraternal benefit society, as described in section 38a-595 of the general statutes, or health carrier, as defined in section 38a-591a of the general statutes, shall be deemed to be in full compliance with the provisions of sections 1 to 10, inclusive, of this act if such insurer, fraternal benefit society or health carrier has implemented and maintains a written artificial intelligence systems program in accordance with all requirements established by the Insurance Commissioner.

(g) (1) Any bank, out-of-state bank, Connecticut credit union, federal credit union, mortgage lender or out-of-state credit union, or any affiliate, subsidiary or service provider thereof, shall be deemed to be in full compliance with the provisions of sections 1 to 10, inclusive, of this act if such bank, out-of-state bank, Connecticut credit union, federal credit union, mortgage lender, out-of-state credit union, affiliate, subsidiary or service provider is subject to examination by any state or federal prudential regulator under any published guidance or regulations that apply to the use of high-risk artificial intelligence systems and such guidance or regulations (A) impose requirements that are substantially equivalent to, and at least as stringent as, the requirements set forth in sections 1 to 10, inclusive, of this act, and (B) at a minimum, require such bank, out-of-state bank, Connecticut credit union, federal credit union, mortgage lender, out-of-state credit union, affiliate, subsidiary or service provider to (i) regularly audit such bank's, out-of-state bank's, Connecticut credit union's, federal credit union's, mortgage lender's, out-of-state credit union's, affiliate's, subsidiary's or service provider's use of high-risk artificial intelligence systems for compliance with state and federal anti-discrimination laws and regulations applicable to such bank, out-of-state bank, Connecticut credit union, federal credit union, mortgage lender, out-of-state credit union, affiliate, subsidiary or service provider, and (ii) mitigate any algorithmic discrimination caused by the use of a high-risk artificial intelligence system or any risk of algorithmic discrimination that is reasonably foreseeable as a result of the use of a high-risk artificial intelligence system.

(2) For the purposes of this subsection, (A) "affiliate", "bank", "Connecticut credit union", "federal credit union", "out-of-state bank", "out-of-state credit union" and "subsidiary" have the same meanings as provided in section 36a-2 of the general statutes, and (B) "mortgage lender" has the same meaning as provided in section 36a-705 of the general statutes.

(h) If a developer, integrator, deployer or other person engages in any action pursuant to an exemption set forth in subsections (a) to (g), inclusive, of this section, the developer, integrator, deployer or other person bears the burden of demonstrating that such action qualifies for such exemption.

Sec. 9. (NEW) (*Effective October 1, 2025*) Not later than January 1, 2026, the Attorney General shall, within available appropriations, develop and implement a comprehensive public education, outreach and assistance program for developers, integrators and deployers that are small businesses, as defined in section 4-168a of the general statutes. Such program shall, at a minimum, disseminate educational materials concerning (1) the requirements established in sections 1 to 10, inclusive, of this act, including, but not limited to, the duties of developers, integrators and deployers under sections 1 to 10, inclusive, of this act, (2) the impact assessments required under subsection (c) of section 4 of this act, (3) the Attorney General's powers under sections 1 to 10, inclusive, of this act, and (4) any other matters the Attorney General, in the Attorney General's discretion, deems relevant for the purposes of such program.

Sec. 10. (NEW) (*Effective October 1, 2025*) (a) The Attorney General shall have exclusive authority to enforce the provisions of sections 1 to 9, inclusive, of this act.

(b) Except as provided in subsection (f) of this section, during the period beginning on October 1, 2026, and ending on September 30, 2027, the Attorney General shall, prior to initiating any action for a violation of any provision of sections 1 to 9, inclusive, of this act, issue a notice of violation to the developer, integrator, deployer or other person if the

Attorney General determines that it is possible to cure such violation. If the developer, integrator, deployer or other person fails to cure such violation not later than sixty days after receipt of the notice of violation, the Attorney General may bring an action pursuant to this section.

(c) Except as provided in subsection (f) of this section, beginning on October 1, 2027, the Attorney General may, in determining whether to grant a developer, integrator, deployer or other person the opportunity to cure a violation described in subsection (b) of this section, consider: (1) The number of violations; (2) the size and complexity of the developer, integrator, deployer or other person; (3) the nature and extent of the developer's, integrator's, deployer's or other person's business; (4) the substantial likelihood of injury to the public; (5) the safety of persons or property; and (6) whether such violation was likely caused by human or technical error.

(d) Nothing in sections 1 to 9, inclusive, of this act shall be construed as providing the basis for a private right of action for violations of said sections.

(e) Except as provided in subsections (a) to (d), inclusive, of this section and subsection (f) of this section, a violation of the requirements established in sections 1 to 9, inclusive, of this act shall constitute an unfair trade practice for purposes of section 42-110b of the general statutes and shall be enforced solely by the Attorney General. The provisions of section 42-110g of the general statutes shall not apply to any such violation.

(f) (1) In any action commenced by the Attorney General for any violation of sections 1 to 9, inclusive, of this act, it shall be an affirmative defense that the developer, integrator, deployer or other person:

(A) Discovers a violation of any provision of sections 1 to 9, inclusive, of this act through red-teaming;

(B) Not later than sixty days after discovering the violation as set forth in subparagraph (A) of this subdivision: (i) Cures such violation; and (ii)

provides to the Attorney General, in a form and manner prescribed by the Attorney General, notice that such violation has been cured and evidence that any harm caused by such violation has been mitigated; and

(C) Is otherwise in compliance with the latest version of: (i) The "Artificial Intelligence Risk Management Framework" published by the National Institute of Standards and Technology; (ii) ISO or IEC 42001 of the International Organization for Standardization; (iii) a nationally or internationally recognized risk management framework for artificial intelligence systems, other than the risk management frameworks specified in subparagraphs (C)(i) and (C)(ii) of this subdivision, that imposes requirements that are substantially equivalent to, and at least as stringent as, the requirements set forth in sections 1 to 9, inclusive, of this act; or (iv) any risk management framework for artificial intelligence systems that is substantially equivalent to, and at least as stringent as, the risk management frameworks described in subparagraphs (C)(i) to (C)(iii), inclusive, of this subdivision.

(2) The developer, integrator, deployer or other person bears the burden of demonstrating to the Attorney General that the requirements established in subdivision (1) of this subsection have been satisfied.

(3) Nothing in this section or sections 1 to 9, inclusive, of this act, including, but not limited to, the enforcement authority granted to the Attorney General under this section, shall be construed to preempt or otherwise affect any right, claim, remedy, presumption or defense available at law or in equity. Any rebuttable presumption or affirmative defense established under this section or sections 1 to 9, inclusive, of this act shall apply only to an enforcement action brought by the Attorney General pursuant to this section and shall not apply to any right, claim, remedy, presumption or defense available at law or in equity.

Sec. 11. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this section, "legislative leader" has the same meaning as provided in subsection (b) of section 4-9d of the general statutes.

(b) Each legislative leader may request that the executive director of the Connecticut Academy of Science and Engineering designate a member of said academy to serve as such legislative leader's liaison with said academy, the Office of the Attorney General and the Department of Economic and Community Development for the purpose of:

(1) Designing a tool to enable any person to determine whether such person is in compliance with the provisions of sections 1 to 10, inclusive, of this act;

(2) Designing a tool to assist a deployer, or a third party contracted by a deployer, to complete an impact assessment pursuant to subsection (c) of section 4 of this act;

(3) Conducting meetings with relevant stakeholders to formulate a plan to utilize The University of Connecticut School of Law's Intellectual Property and Entrepreneurship Law Clinic to assist small businesses and startups in their efforts to comply with the provisions of sections 1 to 10, inclusive, of this act;

(4) Making recommendations concerning establishing a framework to provide a controlled and supervised environment in which artificial intelligence systems may be tested, which recommendations shall include, at a minimum, recommendations concerning the establishment of (A) an office to oversee such framework and environment, and (B) a program that would enable consultations between the state, businesses and other stakeholders concerning such framework and environment;

(5) Evaluating (A) the adoption of artificial intelligence systems by businesses, (B) the challenges posed to, and needs of, businesses in (i) adopting artificial intelligence systems, and (ii) understanding laws and regulations concerning artificial intelligence systems, and (C) how businesses that use artificial intelligence systems hire employees with necessary skills concerning artificial intelligence systems;

(6) Creating a plan for the state to provide high-performance computing services to businesses and researchers in the state;

(7) Evaluating the benefits of creating a state-wide research collaborative among health care providers to enable the development of advanced analytics, ethical and trustworthy artificial intelligence systems and hands-on workforce education while using methods that protect patient privacy; and

(8) Evaluating, and making recommendations concerning, (A) the establishment of testbeds to support safeguards and systems to prevent the misuse of artificial intelligence systems, (B) risk assessments for the misuse of artificial intelligence systems, (C) evaluation strategies for artificial intelligence systems, and (D) the development, testing and evaluation of resources to support state oversight of artificial intelligence systems.

(c) No member of the Connecticut Academy of Science and Engineering designated pursuant to subsection (b) of this section shall be deemed a state employee, or receive any compensation from the state, for performing such member's duties under said subsection.

Sec. 12. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

(1) "Active participant" means a person participating in the artificial intelligence regulatory sandbox program designed, established and administered in accordance with the provisions of this section;

(2) "Artificial intelligence system" has the same meaning as provided in section 1 of this act;

(3) "Consumer" has the same meaning as provided in section 1 of this act;

(4) "Deployer" means any person doing business in this state that deploys an artificial intelligence system;

(5) "Developer" has the same meaning as provided in section 1 of this act;

(6) "Person" has the same meaning as provided in section 1 of this act;

and

(7) "State agency" has the same meaning as provided in section 1-79 of the general statutes.

(b) The Department of Economic and Community Development, in coordination with the Chief Data Officer and the Connecticut Technology Advisory Board established under section 16 of this act, shall design, establish and administer an artificial intelligence regulatory sandbox program to facilitate the development, testing and deployment of innovative artificial intelligence systems in the state. The program shall be designed to (1) promote the safe and innovative use of artificial intelligence systems across various sectors, including, but not limited to, education, finance, health care and public service, (2) encourage the responsible deployment of artificial intelligence systems while balancing the need for consumer protection, privacy and public safety, and (3) provide clear guidelines for developers to test artificial intelligence systems while being exempt from certain regulatory requirements during the period set forth in subsection (d) of this section.

(c) (1) A person seeking to participate in the artificial intelligence regulatory sandbox program shall submit an application to the Department of Economic and Community Development in a form and manner prescribed by the Commissioner of Economic and Community Development. Each application shall include (A) a detailed description of the applicant's artificial intelligence system and its intended uses, (B) a risk assessment that addresses the potential impact of the applicant's artificial intelligence system on consumers, privacy and public safety, (C) a plan for mitigating any adverse consequences that may arise from the applicant's artificial intelligence system during the period set forth in subsection (d) of this section, (D) proof that the applicant and the applicant's artificial intelligence system are in compliance with all applicable federal laws and regulations concerning artificial intelligence systems, and (E) any other information the commissioner deems relevant for the purposes of this section or the program.

(2) Not later than thirty days after the Department of Economic and

Community Development receives an application submitted pursuant to subdivision (1) of this subsection, the department shall (A) approve or deny the application, and (B) send a notice to the applicant, in a form and manner prescribed by the Commissioner of Economic and Community Development, disclosing whether the department has approved or denied such application.

(d) An active participant in the artificial intelligence regulatory sandbox program may test the applicant's artificial intelligence system as part of the program for a period not to exceed eighteen months from the date on which the Department of Economic and Community Development sent notice approving the active participant's application pursuant to subparagraph (B) of subdivision (2) of subsection (c) of this section, except the department may extend such period for good cause shown.

(e) The Department of Economic and Community Development shall coordinate with all relevant state agencies to oversee the operations of active participants in the artificial intelligence regulatory sandbox program. Any state agency may recommend to the department that an active participant's participation in the program be revoked if the active participant's artificial intelligence system (1) poses an undue risk to the public health, safety or welfare, or (2) violates any federal law or regulation.

(f) For the calendar quarter ending December 31, 2025, and for each calendar quarter thereafter, each active participant in the artificial intelligence regulatory sandbox program shall, not later than thirty days after the end of such calendar quarter, submit a report to the Department of Economic and Community Development disclosing (1) system performance metrics for such active participant's artificial intelligence system, (2) information concerning the manner in which such active participant's artificial intelligence system mitigated any risks associated with such artificial intelligence system, and (3) any feedback such active participant received from deployers, consumers and other users of such artificial intelligence system.

(g) For the calendar year ending December 31, 2025, and for each calendar year thereafter, the Department of Economic and Community Development shall, not later than thirty days after the end of such calendar year, submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection. Each report shall disclose (1) the number of persons who were active participants in the artificial intelligence regulatory sandbox program for the calendar year that is the subject of such report or any portion of such calendar year, (2) the overall performance and impact of artificial intelligence systems tested as part of the program, and (3) any recommendations regarding the adoption of legislation for the purposes of the program.

Sec. 13. (NEW) (*Effective July 1, 2025*) (a) As used in this section, "artificial intelligence" means artificial intelligence system, as defined in section 1 of this act.

(b) Not later than December 31, 2025, the Board of Regents for Higher Education shall establish, on behalf of Charter Oak State College and in consultation with the Labor Department, the State Board of Education, Workforce Investment Boards, employers and institutions of higher education in this state, a "Connecticut AI Academy". The academy shall, at a minimum:

(1) Curate and offer online courses concerning artificial intelligence and the responsible use of artificial intelligence;

(2) Promote digital literacy;

(3) Prepare students for careers in fields involving artificial intelligence;

(4) Offer courses directed at individuals between thirteen and twenty years of age;

(5) Offer courses that prepare small businesses and nonprofit organizations to utilize artificial intelligence to improve marketing and

management efficiency;

(6) Develop courses concerning artificial intelligence that the Labor Department and Workforce Investment Boards may incorporate into workforce training programs; and

(7) Enable persons providing free or discounted public Internet access to distribute information and provide mentorship concerning artificial intelligence, the academy and methods available for the public to obtain free or discounted devices capable of accessing the Internet and utilizing artificial intelligence.

(c) The Board of Regents for Higher Education shall, in consultation with Charter Oak State College, develop certificates and badges to be awarded to persons who successfully complete courses offered by the Connecticut AI Academy.

Sec. 14. (NEW) (*Effective July 1, 2025*) The Labor Department shall provide a notice, in a form and manner prescribed by the Labor Commissioner, to each individual who makes a claim for unemployment compensation disclosing the existence of, and courses and services offered by, the Connecticut AI Academy established pursuant to section 13 of this act.

Sec. 15. Subsection (b) of section 17b-751b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(b) The commissioner shall: (1) Ensure that all home visiting programs (A) are one or more of the evidence-based home visiting models that meet the criteria for evidence of effectiveness developed by the federal Department of Health and Human Services, and (B) provide information to parents regarding the Connecticut AI Academy established pursuant to section 13 of this act; (2) provide oversight of home visiting programs to insure model fidelity; and (3) develop, issue and evaluate requests for proposals to procure the services required by this section. In evaluating the proposals, the commissioner shall take

into consideration the most effective and consistent service delivery system allowing for the continuation of current public and private programs.

Sec. 16. (NEW) (*Effective July 1, 2025*) (a) As used in this section, "artificial intelligence" means artificial intelligence system, as defined in section 1 of this act.

(b) There is established, within available appropriations, a Connecticut Technology Advisory Board, which shall be part of the Legislative Department.

(c) (1) The board shall consist of the following members: (A) Two appointed by the speaker of the House of Representatives; (B) two appointed by the president pro tempore of the Senate; (C) two appointed by the minority leader of the House of Representatives; and (D) two appointed by the minority leader of the Senate. All appointed members shall have professional experience or academic qualifications in the field of artificial intelligence or the field of technology, or another related field, and no such member shall be a member of the General Assembly.

(2) The following persons or their designees shall serve as ex-officio, nonvoting members and chairpersons of the board: (A) The Commissioner of Economic and Community Development; (B) the executive director of the Connecticut Academy of Science and Engineering; and (C) the president of Charter Oak State College.

(3) All initial appointments to the board shall be made not later than October 1, 2025. The term of an appointed member shall be coterminous with the term of the appointing authority for the appointed member. Any vacancy shall be filled by the appointing authority. Any vacancy occurring other than by expiration of a term shall be filled for the balance of the unexpired term. A member of the board may serve more than one term. The chairpersons shall schedule the first meeting of the board, which shall be held not later than November 1, 2025.

(d) The administrative staff of the joint standing committees of the General Assembly having cognizance of matters relating to consumer protection and government administration shall serve as administrative staff of the board.

(e) The board shall have the following powers and duties: (1) To develop and adopt a state technology strategy (A) for the purpose of promoting education, workforce development, economic development and consumer protection, and (B) that accounts for the rapid pace of technological development, including, but not limited to, in the field of artificial intelligence; (2) to update the state technology strategy developed and adopted pursuant to subdivision (1) of this subsection at least once every two years; (3) to issue reports and recommendations in accordance with the provisions of section 11-4a of the general statutes; (4) upon the vote of a majority of the members of the board, to request any state agency data officer or state agency head to (A) appear before the board to answer questions, or (B) provide such assistance and data as may be necessary for the purpose of enabling the board to perform its duties; (5) to make recommendations to the Legislative Department, Executive Department or Judicial Department in accordance with the state technology strategy; and (6) to establish bylaws to govern the board's procedures.

(f) The board shall meet at least twice annually and may meet at such other times as deemed necessary by the chairpersons or a majority of the members of the board.

Sec. 17. (*Effective July 1, 2025*) (a) Not later than December 31, 2025, the Department of Economic and Community Development shall, within available appropriations and in collaboration with Charter Oak State College, develop a plan to establish a technology transfer program within Connecticut Innovations, Incorporated, for the purpose of supporting technology transfers by and among public and private institutions of higher education in this state.

(b) Not later than January 1, 2026, the Commissioner of Economic and Community Development shall submit a report, in accordance with the

provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to consumer protection, commerce and higher education. Such report shall, at a minimum, include the plan developed pursuant to subsection (a) of this section.

Sec. 18. (NEW) (*Effective July 1, 2025*) (a) Not later than December 31, 2025, the Department of Economic and Community Development shall, within available appropriations and in collaboration with the Office of Health Strategy, establish a confidential computing cluster for the purpose of fostering the exchange of health information in order to support academic and medical research.

(b) (1) The confidential computing cluster established pursuant to subsection (a) of this section shall be overseen by a Connecticut Confidential Computing Cluster Policy Board, which shall be within the Department of Economic and Community Development for administrative purposes only. Said policy board shall consist of:

(A) The chairperson of The University of Connecticut Health Center Board of Directors, or said chairperson's designee; and

(B) A representative of the State-wide Health Information Exchange established pursuant to section 17b-59d of the general statutes, who shall be appointed by the Commissioner of Health Strategy.

(2) The Connecticut Confidential Computing Cluster Policy Board shall direct the formulation of policies and operating procedures for the confidential computing cluster established pursuant to subsection (a) of this section.

(3) The Connecticut Confidential Computing Cluster Policy Board may apply for and administer any federal, state, local or private appropriations or grant funds made available for the operation of the confidential computing cluster established pursuant to subsection (a) of this section.

Sec. 19. Section 10-21*l* of the general statutes is repealed and the

following is substituted in lieu thereof (*Effective July 1, 2025*):

There is established an account to be known as the **[**"computer science education account"**]** "computer science education and workforce development account", which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required or permitted by law to be deposited in the account and any funds received from any public or private contributions, gifts, grants, donations, bequests or devises to the account. The Department of Education may make expenditures from the account (1) to support curriculum development, teacher professional development, capacity development for school districts **[**,**]** and other programs for the purposes of supporting computer science education, and (2) in coordination with the Office of Workforce Strategy and the Board of Regents for Higher Education for the purpose of supporting workforce development initiatives in accordance with the state technology strategy adopted pursuant to subsection (e) of section 16 of this act.

Sec. 20. Section 32-7p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) As used in this section:

(1) "Artificial intelligence" means artificial intelligence system, as defined in section 1 of this act;

(2) "Generative artificial intelligence" means any form of artificial intelligence, including, but not limited to, a foundation model, that is able to produce synthetic digital content, as defined in section 1 of this act; and

(3) "Prompt engineering" means the process of guiding generative artificial intelligence to generate a desired output.

[(a)**]** (b) There shall be a Technology Talent and Innovation Fund Advisory Committee within the Department of Economic and Community Development. Such committee shall consist of members appointed by the Commissioner of Economic and Community

Development, including, but not limited to, representatives of The University of Connecticut, the Board of Regents for Higher Education, independent institutions of higher education, the Office of Workforce Strategy and private industry. Such members shall be subject to term limits prescribed by the commissioner. Each member shall hold office until a successor is appointed.

[(b)**]** (c) The commissioner shall call the first meeting of the advisory committee not later than October 15, 2016. The advisory committee shall meet not less than quarterly thereafter and at such other times as the chairperson deems necessary. The Technology Talent and Innovation Fund Advisory Committee shall designate the chairperson of the committee from among its members.

[(c)**]** (d) No member of the advisory committee shall receive compensation for such member's service, except that each member shall be entitled to reimbursement for actual and necessary expenses incurred during the performance of such member's official duties.

[(d)**]** (e) A majority of members of the advisory committee shall constitute a quorum for the transaction of any business or the exercise of any power of the advisory committee. The advisory committee may act by a majority of the members present at any meeting at which a quorum is in attendance, for the transaction of any business or the exercise of any power of the advisory committee, except as otherwise provided in this section.

[(e)**]** (f) Notwithstanding any provision of the general statutes, it shall not constitute a conflict of interest for a trustee, director, partner or officer of any person, firm or corporation, or any individual having a financial interest in a person, firm or corporation, to serve as a member of the advisory committee, provided such trustee, director, partner, officer or individual complies with all applicable provisions of chapter 10. All members of the advisory committee shall be deemed public officials and shall adhere to the code of ethics for public officials set forth in chapter 10, except that no member shall be required to file a statement of financial interest as described in section 1-83.

[(f) The Technology Talent Advisory Committee shall, in the following order of priority, (1) calculate the number of software developers and other persons (A) employed in technology-based fields where there is a shortage of qualified employees in this state for businesses to hire, including, but not limited to, data mining, data analysis and cybersecurity, and (B) employed by businesses located in Connecticut as of December 31, 2016; (2) develop pilot programs to recruit software developers to Connecticut and train residents of the state in software development and such other technology fields, with the goal of increasing the number of software developers and persons employed in such other technology fields residing in Connecticut and employed by businesses in Connecticut by at least double the number calculated pursuant to subdivision (1) of this subsection by January 1, 2026; and (3) identify other technology industries where there is a shortage of qualified employees in this state for growth stage businesses to hire.**]**

(g) The Technology Talent and Innovation Fund Advisory Committee may partner with institutions of higher education and other nonprofit organizations to develop **[**pilot**]** programs **[**for (1) marketing and publicity campaigns designed to recruit technology talent to the state; (2) student loan deferral or forgiveness for students who start businesses in the state; and (3) training, apprenticeship and gap-year initiatives**]** to expand the technology talent pipeline in the state, including, but not limited to, in the fields of artificial intelligence and quantum computing.

[(h) The Technology Talent Advisory Committee shall report, in accordance with the provisions of section 11-4a, and present such report to the joint standing committees of the General Assembly having cognizance of matters relating to commerce, education, higher education and finance, revenue and bonding on or before January 1, 2017, concerning the (1) pilot programs developed pursuant to subsections (f) and (g) of this section, (2) number of software developers and persons employed in technology-based fields described in subsection (f) of this section targeted for recruitment pursuant to

subsection (f) of this section, and (3) timeline and measures for reaching the recruitment target.**]**

(h) Not later than July 1, 2026, the Technology Talent and Innovation Fund Advisory Committee shall partner with public and private institutions of higher education in the state and other training providers to develop programs in the field of artificial intelligence, including, but not limited to, in areas such as prompt engineering, artificial intelligence marketing for small businesses and artificial intelligence for small business operations.

Sec. 21. Subsection (b) of section 32-235 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of Economic and Community Development (1) for the purposes of sections 32-220 to 32-234, inclusive, including economic cluster-related programs and activities, and for the Connecticut job training finance demonstration program pursuant to sections 32-23uu and 32-23vv, provided (A) three million dollars shall be used by said department solely for the purposes of section 32-23uu, (B) not less than one million dollars shall be used for an educational technology grant to the deployment center program and the nonprofit business consortium deployment center approved pursuant to section 32-41*l*, (C) not less than two million dollars shall be used by said department for the establishment of a pilot program to make grants to businesses in designated areas of the state for construction, renovation or improvement of small manufacturing facilities, provided such grants are matched by the business, a municipality or another financing entity. The Commissioner of Economic and Community Development shall designate areas of the state where manufacturing is a substantial part of the local economy and shall make grants under such pilot program which are likely to produce a significant economic development benefit for the designated area, (D) five million dollars may be used by said

department for the manufacturing competitiveness grants program, (E) one million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced Technology, for the purposes of subdivision (5) of subsection (a) of section 32-7f, (F) fifty million dollars shall be used by said department for the purpose of grants to the United States Department of the Navy, the United States Department of Defense or eligible applicants for projects related to the enhancement of infrastructure for long-term, on-going naval operations at the United States Naval Submarine Base-New London, located in Groton, which will increase the military value of said base. Such projects shall not be subject to the provisions of sections 4a-60 and 4a-60a, (G) two million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced Technology, Inc., for manufacturing initiatives, including aerospace and defense, and (H) four million dollars shall be used by said department for the purpose of a grant to companies adversely impacted by the construction at the Quinnipiac Bridge, where such grant may be used to offset the increase in costs of commercial overland transportation of goods or materials brought to the port of New Haven by ship or vessel, (2) for the purposes of the small business assistance program established pursuant to section 32-9yy, provided fifteen million dollars shall be deposited in the small business assistance account established pursuant to said section 32-9yy, (3) to deposit twenty million dollars in the small business express assistance account established pursuant to section 32-7h, (4) to deposit four million nine hundred thousand dollars per year in each of the fiscal years ending June 30, 2017, to June 30, 2019, inclusive, and June 30, 2021, and nine million nine hundred thousand dollars in the fiscal year ending June 30, 2020, in the CTNext Fund established pursuant to section 32-39i, which shall be used by the Department of Economic and Community Development to provide grants-in-aid to designated innovation places, as defined in section 32-39f, planning grants-in-aid pursuant to section 32-39*l*, and grants-in-aid for projects that network innovation places pursuant to subsection (b) of section 32-39m, provided not more than three million dollars be used for grants-in-aid for such projects, and further provided any portion of any such deposit

that remains unexpended in a fiscal year subsequent to the date of such deposit may be used by the Department of Economic and Community Development for any purpose described in subsection (e) of section 32-39i, (5) to deposit two million dollars per year in each of the fiscal years ending June 30, 2019, to June 30, 2021, inclusive, in the CTNext Fund established pursuant to section 32-39i, which shall be used by the Department of Economic and Community Development for the purpose of providing higher education entrepreneurship grants-in-aid pursuant to section 32-39g, provided any portion of any such deposit that remains unexpended in a fiscal year subsequent to the date of such deposit may be used by the Department of Economic and Community Development for any purpose described in subsection (e) of section 32-39i, (6) for the purpose of funding the costs of the Technology Talent and Innovation Fund Advisory Committee established pursuant to section 32-7p, as amended by this act, provided not more than ten million dollars may be used on or after July 1, 2023, for such purpose, (7) to provide (A) a grant-in-aid to the Connecticut Supplier Connection in an amount equal to two hundred fifty thousand dollars in each of the fiscal years ending June 30, 2017, to June 30, 2021, inclusive, and (B) a grant-in-aid to the Connecticut Procurement Technical Assistance Program in an amount equal to three hundred thousand dollars in each of the fiscal years ending June 30, 2017, to June 30, 2021, inclusive, (8) to deposit four hundred fifty thousand dollars per year, in each of the fiscal years ending June 30, 2017, to June 30, 2021, inclusive, in the CTNext Fund established pursuant to section 32-39i, which shall be used by the Department of Economic and Community Development to provide growth grants-in-aid pursuant to section 32-39g, provided any portion of any such deposit that remains unexpended in a fiscal year subsequent to the date of such deposit may be used by the Department of Economic and Community Development for any purpose described in subsection (e) of section 32-39i, (9) to transfer fifty million dollars to the Labor Department which shall be used by said department for the purpose of funding workforce pipeline programs selected pursuant to section 31-11rr, provided, notwithstanding the provisions of section 31-11rr, (A) not less than five million dollars shall be provided to the workforce

development board in Bridgeport serving the southwest region, for purposes of such program, and the board shall distribute such money in proportion to population and need, and (B) not less than five million dollars shall be provided to the workforce development board in Hartford serving the north central region, for purposes of such program, (10) to transfer twenty million dollars to Connecticut Innovations, Incorporated, provided ten million dollars shall be used by Connecticut Innovations, Incorporated for the purpose of the proof of concept fund established pursuant to subsection (b) of section 32-39x and ten million dollars shall be used by Connecticut Innovations, Incorporated for the purpose of the venture capital fund program established pursuant to section 32-41oo, (11) to provide a grant to The University of Connecticut of eight million dollars for the establishment, development and operation of a center for sustainable aviation pursuant to subsection (a) of section 10a-110o, and (12) for up to twenty million dollars in investments in federally designated opportunity zones through an impact investment firm including, subject to the approval of the Governor, funding from the Economic Assistance Revolving Fund, established pursuant to section 32-231.

Sec. 22. (*Effective July 1, 2025*) Not later than December 31, 2025, the Department of Economic and Community Development shall, within available appropriations, in partnership with public and private institutions of higher education in the state and in coordination with the artificial intelligence industry, conduct a "CT AI Symposium" to foster collaboration between academia, government and the artificial intelligence industry for the purpose of promoting the establishment and growth of artificial intelligence businesses in this state.

Sec. 23. (*Effective July 1, 2025*) (a) As used in this section:

(1) "Artificial intelligence" means artificial intelligence system, as defined in section 1 of this act;

(2) "Generative artificial intelligence" means any form of artificial intelligence, including, but not limited to, a foundation model, that is able to produce synthetic digital content, as defined in section 1 of this

act; and

(3) "State agency" means any department, board, council, commission, institution or other executive branch agency of state government, including, but not limited to, each constituent unit and each public institution of higher education.

(b) Each state agency shall, in consultation with the labor unions representing the employees of such state agency, study how generative artificial intelligence may be incorporated in its processes to improve efficiencies. Each state agency shall prepare for any such incorporation with input from the state agency's employees, including, but not limited to, any applicable collective bargaining unit that represents its employees, and appropriate experts from civil society organizations, academia and industry.

(c) Not later than January 1, 2026, each state agency shall submit the results of such study to the Department of Administrative Services, including a request for approval of any potential pilot project utilizing generative artificial intelligence that the state agency intends to establish, provided such use is in accordance with the policies and procedures established by the Office of Policy and Management pursuant to subsection (b) of section 4-68jj of the general statutes. Any such pilot project shall measure how generative artificial intelligence (1) improves Connecticut residents' experience with and access to government services, and (2) supports state agency employees in the performance of their duties in addition to any domain-specific impacts to be measured by the state agency. The Commissioner of Administrative Services shall assess any such proposed pilot project in accordance with the provisions of section 4a-2e of the general statutes, as amended by this act, and may disapprove any pilot project that fails such assessment or requires additional legislative authorization.

(d) Not later than February 1, 2026, the Commissioner of Administrative Services shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters

relating to consumer protection and government administration. Such report shall include a summary of all pilot projects approved by the commissioner under this section and any recommendations for legislation necessary to implement additional pilot projects.

Sec. 24. Section 32-39e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) If, in the exercise of its powers under section 32-39, Connecticut Innovations, Incorporated (1) finds that the use of a certain technology, product or process, including, but not limited to, an artificial intelligence system, as defined in section 1 of this act, (A) would promote public health and safety, environmental protection or economic development, or (B) with regard to state services, would promote efficiency, reduce administrative burdens or otherwise improve such services, and (2) determines such technology, product or process was developed by a business (A) domiciled in this state to which the corporation has provided financial assistance or in which the corporation has invested, or (B) which has been certified as a small contractor or minority business enterprise by the Commissioner of Administrative Services under section 4a-60g, the corporation, upon application of such business, may recommend to the Secretary of the Office of Policy and Management that an agency of the state, including, but not limited to, any constituent unit of the state system of higher education, be authorized to test such technology, product or process by employing **[**it**]** such technology, product or process in the operations of such agency on a trial basis. The purpose of such test program shall be to validate the commercial viability of such technology, product or process provided no business in which Connecticut Innovations, Incorporated has invested shall be required to participate in such program.

(b) Connecticut Innovations, Incorporated shall make no such recommendation unless such business has submitted a viable business plan to Connecticut Innovations, Incorporated for manufacturing and marketing such technology, product or process and such business demonstrates that (1) the usage of such technology, product or process

by the state agency will not adversely affect safety, (2) sufficient research and development has occurred to warrant participation in the test program, (3) the technology, product or process has potential for commercialization not later than two years following the completion of any test program involving a state agency under this section, and (4) such technology, product or process will have a positive economic impact in the state, including the prospective addition of jobs and economic activity upon such commercialization.

(c) If the Secretary of the Office of Policy and Management finds that employing such technology, product or process would be feasible in the operations of a state agency and would not have any detrimental effect on such operations, said secretary, notwithstanding the requirement of chapter 58, may direct an agency of the state to accept delivery of such technology, product or process and to undertake such a test program. The Secretary of the Office of Policy and Management, in consultation with the Commissioner of Administrative Services, the chief executive officer of Connecticut Innovations, Incorporated and the department head of the testing agency, shall determine, on a case-by-case basis, whether the costs associated with the acquisition and use of such technology, product or process by the testing agency shall be borne by Connecticut Innovations, Incorporated, the business or by any investor or participant in such business. The acquisition of any technology, product or process for purposes of the test program established pursuant to this section shall not be deemed to be a purchase under the provisions of the state procurement policy. The testing agency, on behalf of Connecticut Innovations, Incorporated shall maintain records related to such test program, as requested by Connecticut Innovations, Incorporated and shall make such records and any other information derived from such test program available to Connecticut Innovations, Incorporated and the business. Any proprietary information derived from such test program shall be exempt from the provisions of subsection (a) of section 1-210.

(d) If the Secretary of the Office of Policy and Management, in consultation with the Commissioner of Administrative Services, the

chief executive officer of Connecticut Innovations, Incorporated and the department head of the testing agency, determines that the test program sufficiently demonstrates that the technology, product or process promotes public health and safety, environmental protection, economic development or efficiency, reduces administrative burdens or otherwise improves state services, the Commissioner of Administrative Services may procure such technology, product or process for use by any or all state agencies pursuant to subsection (b) of section 4a-58.

(e) The Secretary of the Office of Policy and Management, the Commissioner of Administrative Services and Connecticut Innovations, Incorporated may develop a program to recognize state agencies that help to promote public health and safety, environmental protection, economic development or efficiency, reduce administrative burdens or improve state services by participating in a testing program under this section. Such program may include the creation of a fund established with savings accrued by the testing agency during its participation in the testing program established under this section. Such fund shall only be used to implement the program of recognition established by the Secretary of the Office of Policy and Management, the Commissioner of Administrative Services and Connecticut Innovations, Incorporated, under the provisions of this subsection.

(f) The Secretary of the Office of Policy and Management, the Commissioner of Administrative Services, Connecticut Innovations, Incorporated, and the Chief Information Officer shall, within available appropriations, establish an artificial intelligence systems fellowship program for the purpose of assisting the Chief Information Officer and state agencies to implement artificial intelligence systems procured pursuant to subsection (b) of section 4a-58. The program shall be within the Office of Policy and Management for administrative purposes only. Not later than January 1, 2026, the Governor shall appoint three artificial intelligence technology fellows in consultation with the Chief Information Officer. Each artificial intelligence technology fellow shall have professional experience or academic qualifications in the field of artificial intelligence, and shall perform such artificial intelligence

technology fellow's duties under the supervision of the Chief Information Officer. The initial term for each artificial intelligence technology fellow shall expire on January 31, 2029. Terms following initial terms shall be for two years, and any artificial intelligence technology fellow may serve more than one term. The Governor shall fill any vacancy in consultation with the Chief Information Officer not later than thirty days after the appointment becomes vacant. For the purposes of this subsection, "artificial intelligence system" has the same meaning as provided in section 1 of this act.

Sec. 25. (*Effective July 1, 2025*) (a) For the purposes of this section:

(1) "Artificial intelligence" means artificial intelligence system, as defined in section 1 of this act;

(2) "General-purpose artificial intelligence" means general-purpose artificial intelligence model, as defined in section 1 of this act; and

(3) "Synthetic digital content" has the same meaning as provided in section 1 of this act.

(b) There is established a working group to engage stakeholders and experts to:

(1) Make recommendations concerning:

(A) The best practices to avoid the negative impacts, and to maximize the positive impacts, on services and state employees in connection with the implementation of new digital technologies and artificial intelligence;

(B) The collection of reports, recommendations and plans from state agencies considering the implementation of artificial intelligence, and the assessment of such reports, recommendations and plans against the best practices described in subparagraph (A) of this subdivision; and

(C) Any other matters that the working group may deem relevant for the purposes of avoiding the negative impacts, and maximizing the

positive impacts, described in subparagraph (A) of this subdivision;

(2) Make recommendations concerning methods to create resources for the purpose of assisting small businesses to adopt artificial intelligence to improve their efficiency and operations;

(3) Propose legislation to (A) regulate the use of general-purpose artificial intelligence, and (B) require social media platforms to provide a signal when such social media platforms are displaying synthetic digital content;

(4) After reviewing the laws and regulations, and any proposed legislation or regulations, of other states concerning artificial intelligence, propose legislation concerning artificial intelligence;

(5) Develop an outreach plan for the purpose of bridging the digital divide and providing workforce training to persons who do not have high-speed Internet access;

(6) Evaluate and make recommendations concerning:

(A) The establishment of testbeds to support safeguards and systems to prevent the misuse of artificial intelligence;

(B) Risk assessments for the misuse of artificial intelligence;

(C) Evaluation strategies for artificial intelligence; and

(D) The development, testing and evaluation of resources to support state oversight of artificial intelligence;

(7) Review the protections afforded to trade secrets and other proprietary information under existing state law and make recommendations concerning such protections;

(8) Study definitions concerning artificial intelligence, including, but not limited to, the definition of high-risk artificial intelligence system set forth in section 1 of this act, and make recommendations concerning the inclusion of language providing that no artificial intelligence system

shall be considered to be a high-risk artificial intelligence system if such artificial intelligence system does not pose a significant risk of harm to the health, safety or fundamental rights of individuals, including, but not limited to, by not materially influencing the outcome of any decision-making;

(9) Make recommendations concerning the establishment and membership of a permanent artificial intelligence advisory council; and

(10) Make such other recommendations concerning artificial intelligence that the working group may deem appropriate.

(c) (1) (A) The working group shall be part of the Legislative Department and consist of the following voting members: (i) One appointed by the speaker of the House of Representatives, who shall be a representative of the industries that are developing artificial intelligence; (ii) one appointed by the president pro tempore of the Senate, who shall be a representative of the industries that are using artificial intelligence; (iii) one appointed by the majority leader of the House of Representatives, who shall be an academic with a concentration in the study of technology and technology policy; (iv) one appointed by the majority leader of the Senate, who shall be an academic with a concentration in the study of government and public policy; (v) one appointed by the minority leader of the House of Representatives, who shall be a representative of an industry association representing the industries that are developing artificial intelligence; (vi) one appointed by the minority leader of the Senate, who shall be a representative of an industry association representing the industries that are using artificial intelligence; (vii) one appointed by the House chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection; (viii) one appointed by the Senate chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection; (ix) one appointed by the House ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, who shall be a representative

of the artificial intelligence industry or a related industry; (x) one appointed by the Senate ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, who shall be a representative of the artificial intelligence industry or a related industry; (xi) one appointed by the House chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to labor, who shall be a representative of a labor organization; (xii) one appointed by the Senate chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to labor, who shall be a representative of a labor organization; (xiii) one appointed by the House ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to labor, who shall be a representative of a small business; (xiv) one appointed by the Senate ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to labor, who shall be a representative of a small business; and (xv) two appointed by the Governor, who shall be members of the Connecticut Academy of Science and Engineering.

(B) All voting members of the working group appointed pursuant to subparagraph (A) of this subdivision shall have professional experience or academic qualifications in matters pertaining to artificial intelligence, automated systems, government policy or another related field.

(C) All initial appointments to the working group shall be made not later than July 31, 2025. Any vacancy shall be filled by the appointing authority.

(D) Any action taken by the working group shall be taken by a majority vote of all members present who are entitled to vote, provided no such action may be taken unless at least fifty per cent of such members are present.

(2) The working group shall include the following nonvoting, ex-officio members: (A) The House chairperson of the joint standing committee of the General Assembly having cognizance of matters

relating to consumer protection; (B) the Senate chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection; (C) the House chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to labor; (D) the Senate chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to labor; (E) the Attorney General, or the Attorney General's designee; (F) the Comptroller, or the Comptroller's designee; (G) the Treasurer, or the Treasurer's designee; (H) the Commissioner of Administrative Services, or said commissioner's designee; (I) the Chief Data Officer, or said officer's designee; (J) the executive director of the Freedom of Information Commission, or said executive director's designee; (K) the executive director of the Commission on Women, Children, Seniors, Equity and Opportunity, or said executive director's designee; (L) the Chief Court Administrator, or said administrator's designee; and (M) the executive director of the Connecticut Academy of Science and Engineering, or said executive director's designee.

(d) The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection and the executive director of the Connecticut Academy of Science and Engineering shall serve as chairpersons of the working group. Such chairpersons shall schedule the first meeting of the working group, which shall be held not later than August 31, 2025.

(e) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection shall serve as administrative staff of the working group.

(f) Not later than February 1, 2026, the working group shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, in accordance with the provisions of section 11-4a of the general statutes. The working group shall terminate on the date that the working group submits such report or February 1, 2026, whichever is later.

Sec. 26. Section 4a-2e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) For the purposes of this section:

(1) "Artificial intelligence" means **[**(A) an artificial system that (i) performs tasks under varying and unpredictable circumstances without significant human oversight or can learn from experience and improve such performance when exposed to data sets, (ii) is developed in any context, including, but not limited to, software or physical hardware, and solves tasks requiring human-like perception, cognition, planning, learning, communication or physical action, or (iii) is designed to (I) think or act like a human, including, but not limited to, a cognitive architecture or neural network, or (II) act rationally, including, but not limited to, an intelligent software agent or embodied robot that achieves goals using perception, planning, reasoning, learning, communication, decision-making or action, or (B) a set of techniques, including, but not limited to, machine learning, that is designed to approximate a cognitive task; and**]** artificial intelligence system, as defined in section 1 of this act;

(2) "Generative artificial intelligence" means any form of artificial intelligence, including, but not limited to, a foundation model, that is able to produce synthetic digital content, as defined in section 1 of this act; and

[(2)**]** (3) "State agency" has the same meaning as provided in section 4d-1.

(b) (1) Not later than December 31, 2023, and annually thereafter, the **[**Department**]** Commissioner of Administrative Services shall conduct an inventory of all systems that employ artificial intelligence and are in use by any state agency. Each such inventory shall include at least the following information for each such system:

(A) The name of such system and the vendor, if any, that provided such system;

(B) A description of the general capabilities and uses of such system;

(C) Whether such system was used to independently make, inform or materially support a conclusion, decision or judgment; and

(D) Whether such system underwent an impact assessment prior to implementation.

(2) The **[**Department**]** Commissioner of Administrative Services shall make each inventory conducted pursuant to subdivision (1) of this subsection publicly available on the state's open data portal.

(c) Beginning on February 1, 2024, the **[**Department**]** Commissioner of Administrative Services shall perform ongoing assessments of systems that employ artificial intelligence and are in use by state agencies to ensure that no such system shall result in any unlawful discrimination or disparate impact described in subparagraph (B) of subdivision (1) of subsection (b) of section 4-68jj. The **[**department**]** commissioner shall perform such assessment in accordance with the policies and procedures established by the Office of Policy and Management pursuant to subsection (b) of section 4-68jj.

(d) The Commissioner of Administrative Services shall, in consultation with other state agencies, collective bargaining units that represent state agency employees and industry experts, develop trainings for state agency employees on (1) the use of generative artificial intelligence tools that are determined by the commissioner, pursuant to the assessment performed under subsection (c) of this section, to achieve equitable outcomes, and (2) methods for identifying and mitigating potential output inaccuracies, fabricated text, hallucinations and biases of generative artificial intelligence while respecting the privacy of the public and complying with all applicable state laws and policies. Beginning on July 1, 2026, the commissioner shall make such trainings available to state agency employees not less frequently than annually.

Sec. 27. (NEW) (*Effective July 1, 2025*) The Department of Economic and Community Development shall, within available appropriations, design an algorithmic computer model for the purpose of simulating

and assessing various public policy decisions, proposed public policy decisions and the actual or potential effects of such policy decisions. The department shall design such model in collaboration with public and private institutions of higher education in this state, the Department of Energy and Environmental Protection and any other state agency the Commissioner of Economic and Community Development, in the commissioner's discretion, deems relevant for the purposes of this section. Such model shall, at a minimum, be designed to (1) function as a digital twin of the population of the state, (2) algorithmically model (A) the actual or potential effects of planning and development decisions or proposed planning and development decisions, and (B) the actual or potential socioeconomic effects of macroeconomic shocks on businesses and families in the state, (3) utilize large quantities of data to support the development of public policies concerning coastline resiliency, family assistance and workforce development, and (4) enable data-driven governance by optimizing resource allocation and policy efficiency for the purpose of furthering economic resilience and social equity.

Sec. 28. Section 53a-189c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) A person is guilty of unlawful dissemination of an intimate image when (1) such person intentionally disseminates by electronic or other means a photograph, film, videotape or other recorded image or synthetic image of (A) the genitals, pubic area or buttocks of another person with less than a fully opaque covering of such body part, or the breast of such other person who is female with less than a fully opaque covering of any portion of such breast below the top of the nipple, or (B) another person engaged in sexual intercourse, as defined in section 53a-193, (2) such person disseminates such image **[**without the consent of such other person,**]** knowing that such other person **[**understood that the image would not be so disseminated**]** did not consent to such dissemination, and (3) such other person suffers harm as a result of such dissemination.

(b) For purposes of this [subsection, "disseminate"] section:

(1) "Disseminate" means to sell, give, provide, lend, trade, mail, deliver, transfer, publish, distribute, circulate, present, exhibit, advertise or otherwise offer; [, and "harm"]

(2) "Harm" includes, but is not limited to, subjecting such other person to hatred, contempt, ridicule, physical injury, financial injury, psychological harm or serious emotional distress; and

(3) "Synthetic image" means any photograph, film, videotape or other image that (A) is not wholly recorded by a camera, (B) is either partially or wholly generated by a computer system, and (C) depicts, and is virtually indistinguishable from an actual representation of, an identifiable person.

[(b)] (c) The provisions of subsection (a) of this [subsection] section shall not apply to:

(1) Any image described in subsection (a) of this section of such other person if such image resulted from voluntary exposure or engagement in sexual intercourse by such other person, in a public place, as defined in section 53a-181, or in a commercial setting;

(2) Any image described in subsection (a) of this section of such other person, if such other person is not clearly identifiable, unless other personally identifying information is associated with or accompanies the image; or

(3) Any image described in subsection (a) of this section of such other person, if the dissemination of such image serves the public interest.

[(c)] (d) Unlawful dissemination of an intimate image to (1) a person by any means is a class A misdemeanor, and (2) more than one person by means of an interactive computer service, as defined in 47 USC 230, an information service, as defined in 47 USC 153, or a telecommunications service, as defined in section 16-247a, is a class D felony.

[(d)**]** (e) Nothing in this section shall be construed to impose liability on the provider of an interactive computer service, as defined in 47 USC 230, an information service, as defined in 47 USC 153, or a telecommunications service, as defined in section 16-247a, for content provided by another person.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*October 1, 2025*	New section
Sec. 2	*October 1, 2025*	New section
Sec. 3	*October 1, 2025*	New section
Sec. 4	*October 1, 2025*	New section
Sec. 5	*October 1, 2025*	New section
Sec. 6	*October 1, 2025*	New section
Sec. 7	*October 1, 2025*	New section
Sec. 8	*October 1, 2025*	New section
Sec. 9	*October 1, 2025*	New section
Sec. 10	*October 1, 2025*	New section
Sec. 11	*October 1, 2025*	New section
Sec. 12	*October 1, 2025*	New section
Sec. 13	*July 1, 2025*	New section
Sec. 14	*July 1, 2025*	New section
Sec. 15	*July 1, 2025*	17b-751b(b)
Sec. 16	*July 1, 2025*	New section
Sec. 17	*July 1, 2025*	New section
Sec. 18	*July 1, 2025*	New section
Sec. 19	*July 1, 2025*	10-21*l*
Sec. 20	*July 1, 2025*	32-7p
Sec. 21	*July 1, 2025*	32-235(b)
Sec. 22	*July 1, 2025*	New section
Sec. 23	*July 1, 2025*	New section
Sec. 24	*July 1, 2025*	32-39e
Sec. 25	*July 1, 2025*	New section
Sec. 26	*July 1, 2025*	4a-2e
Sec. 27	*July 1, 2025*	New section
Sec. 28	*October 1, 2025*	53a-189c

Statement of Legislative Commissioners:
In Section 1(9)(B), "or system" was added after "unless the technology" and "does not include" was added before "(i)" for internal consistency; in Section 1(13), "identify" was added before "how" for internal consistency; in Section 3(d)(2)(B), "any intentional" was changed to "an intentional" for consistency; in Section 4(e)(1)(B)(ii), "said subparagraph (C)" was changed to "said subparagraph" for consistency with standard drafting conventions; in Section 12(b)(3), "being" was added before "exempt" for clarity; in Section 12(d), "subparagraph (B) of" was added before "subdivision (2)" for accuracy; and in Sections 12(g), 16(e)(3), 17(b), 23(d) and 25(f), "the provisions of" was added before "section 11-4a" for consistency with standard drafting conventions.

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $
Department of Economic & Community Development	GF - Cost	At least 1.4 million	Up to 250,000
Board of Regents for Higher Education	OF - Cost	500,000	500,000
Attorney General	GF - Cost	485,000	640,000
State Comptroller - Fringe Benefits[1]	GF - Cost	259,957	333,038
Policy & Mgmt., Off.	GF - Cost	Up to 225,000	Up to 450,000
Department of Administrative Services; Various State Agencies	GF - Cost	200,000 to 600,000	None
Labor Dept.	GF - Cost	1,000	1,000
Judicial Dept. (Probation); Correction, Dept.; Legislative Mgmt.	GF - Potential Cost	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below
Various State Agencies	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes regarding artificial intelligence resulting in the impacts described below.

Sections 1-10 create a regulatory structure for the artificial

[1]The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

intelligence market and task the Office of the Attorney General (OAG) with regulating and enforcing[2] the requirements of the bill resulting in a cost to the agency.

The OAG will require additional staffing to fulfill the bill's regulatory requirements related to the new and expanding field of artificial intelligence. Due to the anticipated workload requirements and required technical expertise, the OAG will need to hire seven additional employees for a cost of $485,000 in FY 26[3] and $640,000 in FY 27, along with associated fringe benefit costs of $188,714 in FY 26 and $251,618 in FY 27. The new employees consist of three assistant attorney generals, two information technology analysts, one program manager, and one paralegal specialist.

Section 11 allows legislative leaders to request a liaison from the Connecticut Academy of Science and Engineering (CASE) resulting in a potential cost to the Office of Legislative Management (OLM)[4] to the extent legislative leaders request a liaison and CASE increases their contract fee with OLM.

Section 12 results in a cost of $105,533 in FY 26 and $140,710 in FY 27 and annually thereafter by requiring the Department of Economic and Community Development (DECD) to design, establish, and administer an AI regulatory sandbox program. It is anticipated that DECD will require one full time program manager at a cost of $105,533 in FY 26 ($75,000 in salary and $30,533 in fringe benefits) and $140,710 annually thereafter ($100,000 in salary and $41,710 in fringe benefits) to administer the program.

Section 13 results in an estimated cost of $500,000 annually beginning in FY 26 to the Board of Regents for Higher Education (BOR). It requires BOR to develop several types of courses and initiatives related to

[2]Per section 10 of the bill, violations constitute an unfair trade practice which are investigated and enforced by the OAG.
[3]FY 26 costs reflect 9 months of expenditures due to these sections having a 10/1/25 effective date.
[4]OLM contacts with CASE for their services and paid them $212,000 in FY 25.

artificial intelligence (AI) at Charter Oak State College (COSC), as part of the Connecticut AI Academy.

It is anticipated that COSC will incur costs to substantially expand its course offerings to meet the bill's provisions. These costs, estimated to be $500,000 annually, are associated with hiring staff and instructors to administer the program, and for marketing. COSC currently offers one five-week online AI course.

Section 14 requires the Department of Labor (DOL) to provide a notice about the courses and services offered by the Connecticut AI Academy, which the bill creates, to each individual who makes a claim for unemployment compensation. This results in a cost to DOL of $1,000 in FY 26 related to vendor costs needed to make changes to ReEmployCT to include such notice.[5]

Section 17 results in one-time cost of up to $100,000 to the Department of Economic and Community Development (DECD) to develop a plan to establish a technology transfer program and submit a report to the committees of cognizance by January 1, 2026.

DECD will require consulting services to complete the plan that the bill requires by January 1st. The cost may be partially mitigated to the extent that the staff at Charter Oak State College and Connecticut Innovations are able to assist with the study.

Section 18 results in cost of up to $240,710 in FY 26 and $140,710 annually thereafter to the Department of Economic and Community Development (DECD) to establish a confidential computing cluster by December 25, 2025. It is anticipated that DECD will require one full time program manager at an annual cost of $140,710 ($100,000 in salary and $40,710 in fringe) and a one-time cost of $100,000 in FY 26 in computer and software equipment to develop and administer the cluster. The bill allows the Connecticut Confidential Computing Cluster Policy Board to apply for and administer any federal, state, local or private

[5] Currently, individuals apply for unemployment benefits via ReEmployCT, DOL's unemployment tax and benefits system.

appropriations or grant funds which may potentially mitigate any cost to the state for the operation of the computing cluster.

This section also establishes the Connecticut Confidential Computing Cluster Policy Board within DECD for administrative purposes only. It is anticipated that DECD can accommodate the Board within existing resources.

Section 19 has no fiscal impact. It expands the possible uses of the computer science education account, but does not change the funding source for the account, or the amount of expenditures from the account. The account is not currently funded.

Sections 20 – 21 repurposes the Technology Talent and Advisory Committee by requiring them to develop programs in the field of artificial intelligence.

Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized General Obligation (GO) bond funds authorized for the Manufacturing Assistance Act, available to the Technology Talent and Advisory Committee, to be expended more rapidly than they otherwise would have been. The bill does not change GO bond authorizations relevant to the program.

Section 22 results in a one-time cost of $25,000 by requiring DECD to host the "CT AI Symposium" amongst academia, government and industry members to establish and promote AI businesses in this state. The actual cost will depend upon the number of participants and the location of the event.

Section 23 requires each state agency to study how generative AI may be incorporated to improve efficiencies and develop a pilot program to obtain generative AI if deemed appropriate. The agencies are then required to submit their findings and any potential pilot programs to the Department of Administrative Services (DAS). DAS is then required to analyze each report and proposed pilot program and submit their findings to the General Assembly (CGA) by February 1,

2026. These requirements will cost the state $200,000 to $600,000 in FY 26 to perform the studies, develop pilot programs, analyze the studies and pilot programs, and submit the findings to the CGA. Costs are dependent upon the number of state agencies seeking a pilot program.

Section 24 results in a cost of up to $225,000 in FY 26 and up to $450,000 in FY 27 to the Office of Policy and Management (OPM) for three AI technology fellows. Each AI fellow is estimated to result in a cost of $150,000 a year. The initial appointment will run from January 1, 2026, to January 31, 2029.

This may also result in a potential cost to other various state agencies as it is expected that any other agencies involved will help with the cost of this program. This may partially reduce the cost to OPM.

The section does not result in impact to Connecticut Innovations (CI) by allowing CI to expand the pre-market testing program to include an AI system. It is anticipated that CI can accommodate this expansion within existing resources of the program.

Section 26 adds generative AI to the training DAS is required to develop and provide state employees concerning the use of AI. This results in no additional cost to DAS.

Section 27 results in one-time cost that is anticipated to be at least $1 million to the Department of Economic and Community Development (DECD) to design an algorithmic computer model to simulate and assess various public policy decisions or proposed ones and the actual or potential effects of these decisions.

DECD will require consulting services to develop the model as it does not have the expertise required to create the model as outlined by the bill. Ongoing costs of up to $50,000 annually are anticipated to maintain and update the model.

Section 28 expands a class A misdemeanor and a class D felony for disseminating certain intimate images, which results in a potential cost to the Department of Correction and the Judicial Department for

incarceration or probation and a potential revenue gain to the General Fund from fines.[6] On average, the marginal cost to the state for incarcerating an offender for the year is $3,300[7] while the average marginal cost for supervision in the community is less than $600[8] each year for adults and $450 each year for juveniles.

The bill also makes various changes regarding artificial intelligence resulting in no fiscal impact to the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases, the number of violations, subject to the terms of any bonds issued, and inflation. One-time only impacts noted above will impact FY 26 only.

The impact to OPM for the AI fellowship program may result in a cost of up to $450,000 in FY 28 and up to $225,000 in FY 29 for a half year appointment. Any future costs will be dependent on if additional terms for AI fellows are filled.

[6] In FY 23- FY 24, 97 charges were recorded and $500 in associated revenue collected under CGS § 53a-189c.
[7] Inmate marginal cost is based on increased consumables (e.g., food, clothing, water, sewage, living supplies, etc.) This does not include a change in staffing costs or utility expenses because these would only be realized if a unit or facility opened.
[8] Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.

OLR Bill Analysis

sSB 2

AN ACT CONCERNING ARTIFICIAL INTELLIGENCE.

TABLE OF CONTENTS:

Generally requires, beginning October 1, 2026, an AI system developer that is capable of generating synthetic digital content to include certain labels and ensure technical solutions are effective

§ 8 — ABILITY TO COMPLY WITH STATE OR FEDERAL LAWS OR TAKE CERTAIN OTHER ACTIONS

Specifies that the bill's requirements do not restrict a developer's, integrator's, deployer's, or other person's ability to take certain actions (e.g., comply with federal and state law, cooperate with law enforcement, and engage in research); deems certain insurance and banking entities in compliance with the bill's provisions

§ 9 — EDUCATION, OUTREACH, AND ASSISTANCE PROGRAM

Requires the attorney general, by January 1, 2026, and within available appropriations, to develop and implement a comprehensive public education, outreach, and assistance program for developers, integrators, and deployers that are small businesses

§ 10 — ATTORNEY GENERAL ENFORCEMENT

Gives the attorney general exclusive authority to enforce the AI provisions listed above; requires a one-year grace period to allow violators an opportunity to cure violations; provides certain affirmative defenses; deems violations CUTPA violations, but does not provide a private right of action

§ 11 — CONNECTICUT ACADEMY OF SCIENCE AND ENGINEERING LIAISONS

Allows four legislative leaders to request CASE members to serve as a liaison between the academy and state government; requires liaisons to serve certain purposes, such as designing tools to determine compliance with the bill's requirements and evaluating the adoption of AI systems by businesses

§ 12 — REGULATORY SANDBOX

Requires DECD to design, establish, and administer an AI regulatory sandbox program to facilitate the development, testing, and deployment of innovative AI systems in the state; requires active participants to report to DECD quarterly and DECD to report to the General Law Committee annually

§§ 13-15 — CONNECTICUT AI ACADEMY

Requires BOR to establish a "Connecticut AI Academy" to curate and offer online courses on AI and its responsible use; requires DOL to provide information about the academy to those who claim unemployment compensation; requires the early childhood commissioner to ensure that all home visiting programs provide information to parents about the academy

§ 16 — CONNECTICUT TECHNOLOGY ADVISORY BOARD

Establishes a Connecticut Technology Advisory Board within the Legislative Department to develop and adopt a state technology strategy to promote education, workforce development, economic development, and consumer protection, among other things

§ 17 — TECHNOLOGY TRANSFER PROGRAM

Requires DECD to develop a plan to establish a technology transfer program within CI, to support technology transfers by and among public and private Connecticut higher education institutions

§ 18 — CONFIDENTIAL COMPUTING CLUSTER AND POLICY BOARD

Requires the DECD commissioner to establish a confidential computing cluster to foster the exchange of health information to support academic and medical research; establishes a policy board to oversee the cluster

§ 19 — COMPUTER SCIENCE EDUCATION AND WORKFORCE DEVELOPMENT ACCOUNT

Expands the purposes of the "computer science education and workforce development account" to allow SDE to make expenditures to support workforce development initiatives the Connecticut Technology Advisory Board develops

§§ 20 & 21 — TECHNOLOGY TALENT AND INNOVATION FUND ADVISORY COMMITTEE

Repurposes the "Technology Talent Advisory Committee" to develop programs to expand the technology talent pipeline in the state in the fields of AI and quantum computing

§ 22 — CT AI SYMPOSIUM

Requires DECD, by December 31, 2025, to conduct a "CT AI Symposium"

§ 23 — STATE AGENCY STUDY OF AI

Requires each state agency, in consultation with the labor unions, to study how generative AI may be incorporated in its processes to improve efficiencies; requires each agency to submit a report on the study and potential pilot projects by January 1, 2026, which the DAS commissioner must assess; requires the DAS commissioner to submit a legislative report on the pilot projects and recommendations on additional ones

§ 24 — PRE-MARKET TESTING

Specifies that the types of technologies, products, and processes eligible for pre-market testing by state agencies include an AI system

§ 24 — AI SYSTEMS FELLOWSHIP PROGRAM

Requires various entities to work together to establish an AI systems fellowship program to help the state implement AI systems the state procures; requires the governor to appoint three fellows by January 1, 2026

§ 25 — WORKING GROUP

Establishes a working group within the Legislative Department to engage stakeholders and experts to make recommendations on certain AI-related issues; requires the group to report by February 1, 2026

§ 26 — STATE EMPLOYEE TRAINING

Requires the DAS commissioner to (1) develop training for state agency employees on how to use certain generative AI tools and ways to identify and mitigate potential issues and (2) make these trainings available to state employees at least annually, beginning July 1, 2026

§ 27 — ALGORITHMIC COMPUTER MODEL

Requires DECD to design an algorithmic computer model to simulate and assess various public policy decisions or proposed ones and the actual or potential effects of these decisions

§ 28 — UNLAWFUL DISSEMINATION OF AN INTIMATE IMAGE

Makes it a crime, under certain conditions, to intentionally disseminate a synthetic intimate image; as under existing law, it is a class A misdemeanor if the image is disseminated to one person and a class D felony if it is disseminated to more than one through certain electronic means

BACKGROUND

SUMMARY

This bill establishes a framework for regulating artificial intelligence (AI) and includes other AI-related provisions, as described in the section-by-section analysis below.

EFFECTIVE DATE: July 1, 2025, except when otherwise noted below.

§§ 1-4 — REASONABLE CARE

Requires each developer, integrator, and deployer of a high-risk AI system, beginning October 1, 2026, to use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination

Beginning October 1, 2026, the bill requires each developer, integrator, and deployer of a high-risk AI system to use reasonable care to protect consumers (i.e. Connecticut residents) from any known or reasonably foreseeable risks of algorithmic discrimination. Integrators must ensure this discrimination does not arise from the intended and contracted uses of the integrated high-risk AI system.

An "AI system" is any machine-based system that, for any explicit or implicit objective, infers from the inputs the system receives how to generate outputs, including content, decisions, predictions, or recommendations, that can influence physical or virtual environments.

Under the bill, a "developer" is any person (i.e. individual, association, corporation, limited liability company, partnership, trust, or other legal entity) doing business in the state that develops or intentionally and substantially modifies an AI system.

An "integrator" is any person doing business in the state that does not develop or intentionally and substantially modify a high-risk AI system, but integrates the system into a product or service the person offers to another person.

A "high-risk AI system" is a system that is intended, when deployed, to make, or be a substantial factor in making, a consequential decision.

The following are not considered high-risk AI systems unless the technology, when deployed, makes, or is a substantial factor in making, a consequential decision:

1. anti-fraud technology that does not use facial recognition technology;

2. AI-enabled video game technology;

3. any anti-malware, anti-virus, calculator, cybersecurity, database, data storage, firewall, Internet domain registration, Internet-website-loading, networking, robocall-filtering, spam-filtering, spellchecking, spreadsheet, web-caching, web-hosting, or similar technology;

4. any technology that performs tasks exclusively related to an entity's internal management affairs, including ordering office supplies or processing payments;

5. any system that classifies incoming documents into categories, is used to detect duplicate applications from a large number of applications, or performs narrow tasks of such a limited nature that performing these tasks poses a limited risk of algorithmic discrimination;

6. any technology that only detects decision-making patterns or deviations from prior decision-making patterns following a previously completed human assessment that the technology is not meant to replace or influence without sufficient human review, including any technology that analyzes a particular decisionmaker's prior decision patterns and flags potential inconsistencies or anomalies; and

7. any technology that communicates with consumers in natural language to give users information, make referrals or recommendations, and answer questions, and that is subject to an acceptable use policy that prohibits generating discriminatory or harmful content.

A "substantial factor" is a factor that alters the outcome of a consequential decision, and is generated by an AI system, including any use of an AI system to generate any content, decision, prediction, or recommendation about a consumer that is used as a basis to make a consequential decision about the consumer. It does not include any output an AI system produces where an individual was involved in the data processing that produced the output and the individual (1) meaningfully considered the data as part of the data processing, and (2) had the authority to change or influence the output the data processing produced.

Under the bill, a "consequential decision" is any decision or judgment that has a material legal or similarly significant effect on a consumer with respect to:

1. access to employment, including any decision or judgment made on hiring, termination, compensation, or promotion;

2. access to education or vocational training, including any decision or judgement on admissions, financial aid, or scholarships;

3. the provision or denial, or terms and conditions, of financial lending or credit services; housing or lodging, including rentals or short-term housing or lodging; insurance; or legal services; or

4. access to essential government or health care services.

An "intentional and substantial modification" is any deliberate material change made to:

1. an AI system that a developer did not predetermine and that materially increases the risk of algorithmic discrimination or

2. a general-purpose AI model that affects the model's compliance, materially changes the model's purpose, or materially increases the risk of algorithmic discrimination.

It does not include any change made to, or the performance of, a high-

risk AI system, if the system continues to learn after it is offered, sold, leased, licensed, given, or otherwise made available to a deployer, or deployed, and the change (1) is made to the system because of any AI learning; (2) was predetermined by the deployer or the deployer's third-party contractor, when the deployer or contractor completed the initial impact assessment for the system; and (3) is included in the system's technical documentation.

A "general-purpose AI model" is a model used by an AI system that displays significant generality, is capable of competently performing a wide range of distinct tasks, and can be integrated into a variety of downstream applications or systems, but is not an AI model used for developing, prototyping, and researching activities before the model is released to the market.

"Algorithmic discrimination" is any use of an AI system that results in an unlawful differential treatment or impact that disfavors an individual or group of individuals based on one or more classifications protected under federal or Connecticut law. It does not include:

1. the offer, license, or use of a high-risk AI system by a developer, integrator, or deployer solely for (a) testing to identify, mitigate, or prevent discrimination or ensure compliance with state and federal law, or (b) expanding an applicant, customer, or participant pool to increase diversity or redress historic discrimination, or

2. an act or omission by or on behalf of a club or other establishment that is not open to the public as outlined in the federal Civil Rights Act of 1964 (42 U.S.C. § 2000a(e)).

Enforcement

Under the bill, in any enforcement action the attorney general brings after October 1, 2026, there is a rebuttable presumption that a (1) developer, integrator, or deployer used reasonable care if they complied with the relevant requirements under the bill and (2) if the developer contracts with an integrator, that each complied with the applicable

provisions of the bill.

EFFECTIVE DATE: October 1, 2025

§ 2 — DEVELOPERS

Generally requires, beginning October 1, 2026, that any developer making a high-risk AI system available to a deployer give the deployer or other developer a general statement describing the system's intended uses and certain documentation that describes the system, other information related to risk mitigation, and a statement summary; requires these developers to provide the attorney general with certain notices after these AI systems cause algorithmic discrimination to at least 1,000 consumers

General Statement of Intended Uses and Other Documentation

The bill generally requires, beginning October 1, 2026, any high-risk AI system developer to make available to a deployer or other developer a general statement describing the system's intended uses and its known harmful or inappropriate uses, and certain other documentation. The required documentation must disclose:

1. high-level summaries of the data types used to train the system;

2. known or reasonably foreseeable limitations to the system, including risks of algorithmic discrimination arising from the intended uses; and

3. the system's purpose and intended benefits and uses.

The documentation must also describe:

1. how the system was evaluated for performance and algorithmic discrimination mitigation before it was offered, sold, leased, licensed, given, or otherwise made available to the deployer;

2. the governance measures used to cover the training datasets and the measures used to examine the suitability of the data sources, possible biases, and appropriate mitigation;

3. the system's intended outputs;

4. the measures the developer took to mitigate any known or reasonably foreseeable risks of algorithmic discrimination that

may arise from the system being deployed; and

5. how the system is intended to be used, based on known or reasonably foreseeable harmful or inappropriate applications, and monitored by the individual when the system is used to make, or is a substantial factor in making, a consequential decision.

The developer must also give the deployer documentation that is reasonably necessary to help the deployer or other developers understand the system's outputs and monitor the system's performance to enable the deployer or other developer to comply with the bill's provisions.

Risk Mitigation

On and after October 1, 2026, the bill requires, among other things, a developer that offers, sells, leases, licenses, gives, or otherwise makes available a high-risk AI system to a deployer or another developer, to the extent feasible, to make available to them the documentation and information needed for the deployer or its third-party contractor to complete an impact assessment the bill requires (see § 4 below). The developer must make the documentation and information available through artifacts such as system cards or other impact assessments.

A developer that also serves as a deployer for these systems does not have to generate this documentation unless the system is provided to another person that serves as a deployer for the system.

Statement Summary

Beginning October 1, 2026, developers must make available, in a clear and readily available way, a statement summarizing certain aspects of the high-risk AI system. They must make the summary available on their website or in a public use case inventory. The summary statement must include:

1. the types of high-risk AI systems the developer (a) has developed or intentionally and substantially modified and (b) currently

makes available to deployers or another developer, and

2. how the developer manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from the intended uses of the types of high-risk AI systems described above.

The bill requires each developer to update the statement (1) as needed to ensure that it remains accurate and (2) within 90 days after the developer intentionally and substantially modifies a high-risk AI system.

When multiple developers contribute to developing a high-risk AI system, each developer is subject to the obligations applicable to developers under the bill related to the activities the developer performs in developing the system.

Required Notice to Attorney General and Others

Beginning October 1, 2026, a high-risk AI system developer must disclose to the attorney general, in a form and manner he prescribes, and to all known system deployers or other developers, any previously disclosed known or reasonably foreseeable risks of algorithmic discrimination arising from the system's intended uses.

The developer must make the disclosures without unreasonable delay but within 90 days after discovering through testing and analysis or receiving a credible report from a system deployer that the system has (1) been deployed, and (2) caused, or is reasonably likely to have caused, algorithmic discrimination to at least 1,000 consumers.

Disclosure Exemptions

The bill specifies that the developer provisions above do not require a developer to disclose any information that is a trade secret or protected from disclosure under state or federal law, or where the disclosure would present a security risk to the developer.

Under the bill, a "trade secret" is information, including a formula,

pattern, compilation, program, device, method, technique, process, drawing, cost data, or customer list, that (1) derives actual or potential independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other individuals who can obtain economic value from its disclosure or use and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Regardless of the bill's developer provisions, under the bill, (1) any documentation the developer completes to comply with another applicable law or regulation is deemed to satisfy the bill's developer requirements if the documentation is reasonably similar in scope and effect to the documentation required under the bill, and (2) a developer may contract with a third party to fulfill its duties under the bill.

Disclosure to Attorney General

The bill allows the attorney general, beginning October 1, 2026, to require developers to disclose to him, as part of an investigation he conducts on suspected violations of the provisions above, the developer's general statement or documentation required under the bill. The attorney general may evaluate these documents to ensure compliance with these provisions. When a developer discloses these documents to the attorney general, the developer may designate them as including information that is exempt from disclosure under the bill or the Freedom of Information Act (FOIA). To the extent these documents include (1) this information, then they are exempt from disclosure under the bill and FOIA and (2) information subject to attorney-client privilege or work product protection, the bill specifies that a disclosure does not constitute a waiver of the privilege or protection.

EFFECTIVE DATE: October 1, 2025

§ 3 — INTEGRATORS

Generally requires, beginning October 1, 2026, integrators that integrate a high-risk AI system into a product or service to contract with the system developer; allows integrators to assume the developer's duties to provide a general statement and documentation

The bill requires, beginning October 1, 2026, integrators that integrate a high-risk AI system into a product or service the integrator offers to another person to contract with the system developer. The contract must be binding and clearly set the duties of the developer and integrator regarding the system, including who is responsible for providing the general statement and documentation the bill requires for developers.

Assuming Developer's Duties

The developer's general statement and documentation requirements do not apply to an integrated high-risk AI system developer if, at all times while the system is integrated to a product or service an integrator offers to another person, the developer is contracted with the integrator where the integrator has assumed the developer's duties for providing these documents.

Beginning October 1, 2026, the bill requires each integrator to make available, in a clear manner that is readily available on the integrator's website or public use case inventory, a statement summarizing:

1. the types of high-risk AI systems the integrator has integrated into products or services it currently offers to any other person, and

2. how the integrator manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from the types of integrated high-risk AI systems described above.

The bill requires each integrator to update the statement (1) as needed to ensure that the statement remains accurate and (2) within 90 days after any intentional and substantial modification to an integrated high-risk AI system.

Disclosure Exemptions

The bill specifies that the integrator provisions above do not require a developer or integrator to disclose any information that is a trade secret or protected from disclosure under state or federal law, or where

the disclosure would present a security risk to the developer or integrator.

Disclosure to Attorney General

Substantially similar to the developer disclosure provision (see § 2), the bill allows the attorney general, beginning October 1, 2026, to require integrators that assumed a developer's duties to disclose to him the required general statement or documentation. The attorney general may evaluate these items to ensure compliance with the developer and integrator provisions. The bill allows integrators to designate the documents as exempt from disclosure in the same manner as developers above.

EFFECTIVE DATE: October 1, 2025

§ 4 — DEPLOYERS

Generally requires deployers, beginning October 1, 2026, to (1) implement a risk management policy and program before deploying high-risk AI systems; (2) complete an impact assessment on the system before deploying it or after any intentional and substantial modification of it; (3) review each deployed system at least annually to ensure the system is not causing algorithmic discrimination; and (4) disclose risk management policies, impact assessments, and records to the attorney general if relevant to an investigation

Risk Management Policy and Program

The bill generally requires deployers, beginning October 1, 2026, to implement and maintain a risk management policy and program to govern their deployment of a high-risk AI system. The policy and program must specify and incorporate the principles, processes, and personnel the deployer must use to identify, document, and mitigate any known or reasonably foreseeable risks of algorithmic discrimination. The risk management policy and risk management program each must be an iterative process that is planned, implemented, and regularly and systematically reviewed and updated over the system's lifecycle. Each policy and program implemented and maintained must be reasonable, considering the:

1. guidance and standards set by the latest version of the National Institute of Standards and Technology's "Artificial Intelligence

Risk Management Framework," ISO or IEC 42001 of the International Organization for Standardization, or another nationally or internationally recognized risk management framework for AI systems that imposes requirements that are substantially equivalent to and as stringent as the bill's requirements for risk management policies and programs;

2. deployer's size and complexity;

3. nature and scope of the high-risk AI system the deployer deployed, including its intended uses; and

4. sensitivity and volume of data processed in connection with the systems the deployer deployed.

The bill allows a risk management policy and program to cover multiple high-risk AI systems deployed by the same deployer.

Impact Assessment

The bill requires a deployer that deploys a high-risk AI system on or after October 1, 2026, or its third-party contractor, to complete an impact statement of the system. Additionally, beginning that same date, they must complete an impact assessment on the system at least annually and within 90 days after an intentional and substantial modification is made available.

Each impact assessment must at least include, to the extent reasonably known by, or available to, the deployer:

1. a statement by the deployer disclosing the system's purpose, intended use cases, and deployment context and benefits;

2. an analysis of whether deploying the system poses any known or reasonably foreseeable risks of algorithmic discrimination and, if so, the nature of the discrimination and steps taken to mitigate the risks;

3. a description of the (a) data categories the system processes as

inputs and (b) outputs the system produces;

4. if the deployer used data to customize the system, an overview of the data categories the deployer used to do so;

5. any metrics used to evaluate the system's performance and known limitations;

6. a high-level description of any transparency measures taken on the system, including any measures taken to disclose to a consumer that the system is in use when it is in use; and

7. a high-level description of the post-deployment monitoring and user safeguards provided on the system, including the oversight, use, and learning process the deployer established to address issues from deploying the system.

Additional Statement. In addition to the impact assessment after an intentional and substantial modification to the system, the bill requires a high-level statement disclosing the extent to which the system was used in a manner that was consistent with, or varied from, the developer's intended uses of the system.

Single Assessment. The bill allows a single assessment to address a comparable set of systems a deployer deploys. Additionally, if a deployer or its third-party contractor completes an assessment to comply with another applicable law or regulation, that assessment is deemed to satisfy the assessment requirements if the assessment is reasonably similar in scope and effect as it would have been if completed under this provision.

Completed Assessments. A deployer must maintain the most recently completed assessment, any prior ones, and all records on each assessment for at least three years after the final deployment of the system.

Annual Review

The bill requires a deployer, or its third-party contractor, to annually

review, beginning by October 1, 2026, each system the deployer deployed to ensure it is not causing algorithmic discrimination.

Notification

Beginning October 1, 2026, and before a deployer deploys a high-risk AI system to make, or be a substantial factor in making, a consequential decision about a consumer, the deployer must notify the consumer of this deployment and give the consumer:

1. a statement disclosing the system's purpose and the nature of the consequential decision;

2. if applicable, information concerning the consumer's right under state law to opt out of the processing of the consumer's personal data for the purposes of profiling to further solely automated decisions that produce legal or similarly significant effects concerning the consumer;

3. the deployer's contact information;

4. a plain language description of the high-risk AI system; and

5. instructions on how to access the statement available for public inspection (see below).

The deployer must generally provide the notice, statements, information, description, and instructions related to adverse consequential decisions (see below) directly to the consumer; in plain language; in all languages the deployer, in the ordinary course of its business, provides contracts, disclaimers, sale announcements, and other information to consumers; and in a format accessible to consumers with disabilities.

Adverse Consequential Decisions

Beginning October 1, 2026, the bill requires a deployer that has deployed a system to make, or as a substantial factor in making, an adverse consequential decision about a consumer, to give the consumer certain notices and opportunities to correct incorrect information or

appeal adverse consequential decisions.

In these instances, the deployer must give the consumer a high-level statement disclosing the principal reason or reasons for the adverse consequential decision, including the:

1. degree to which, and manner in which, the system contributed to the adverse consequential decision;

2. data type that the system processed in making the consequential decision; and

3. data source.

The deployer must also allow the consumer an opportunity to:

1. examine the personal data that the system processed in making, or as a substantial factor in making, the adverse consequential decision and correct any incorrect personal data; and

2. appeal the adverse consequential decision if the adverse decision is based on inaccurate personal data, taking into account both the nature of the personal data and the purpose the data was processed, with a human review, if technically feasible, unless doing so is not in the consumer's best interest (e.g., when delay might pose a risk to a consumer's life or safety).

Public Inspection

Beginning October 1, 2026, the bill requires each deployer to make available on its website, in a way that is clear and readily available, a statement summarizing:

1. the types of high-risk AI systems that the deployer currently deploys;

2. how the deployer manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from deploying each system;

3. in detail, the nature, source, and extent of information the deployer collects and uses; and

4. how the consumer may exercise his or her opt-out rights by the secure and reliable means required under the Connecticut Data Privacy Act.

A deployer must also periodically update this statement.

Exemptions

The bill exempts deployers from its risk management, impact assessments, annual review, and public inspection requirements if, at the time the deployer deploys a system and at all times while the system is deployed, the:

1. deployer (a) has entered into a contract with a developer for the developer to assume these duties and (b) does not exclusively use the deployer's own data to train the system,

2. system (a) is used for the intended uses disclosed to the deployer and (b) continues learning based on a broad range of data sources and not solely based on the deployer's own data, and

3. deployer makes available to consumers any impact assessment that (a) the developer has completed and given to the deployer and (b) includes information that is substantially similar to those required by the bill for impact assessments.

Attorney General Notice

Substantially similar to the requirements for developers and integrators, the bill requires a high-risk AI system deployer, on or after October 1, 2026, who subsequently discovers the system has caused algorithmic discrimination to at least 1,000 consumers, to notify the attorney general of the discovery. The deployer must send the notice without unreasonable delay and within 90 days after the discovery.

Disclosure Exemptions

The bill specifies that the deployer provisions above do not require a

deployer to disclose any information that is a trade secret or protected from disclosure under state or federal law. If a deployer withholds any information from a consumer, the deployer must send notice to the consumer disclosing (1) that the deployer is withholding the information from the consumer and (2) the basis for the withholding.

Disclosure to Attorney General

The bill allows the attorney general, beginning October 1, 2026, to require deployers and their third-party contractors to disclose to him, as part of an investigation about a suspected violation, any risk management policy, impact assessment, or records of the last three impact assessments. The deployer must produce these items within 90 days after the request and the attorney general may evaluate these items to ensure compliance with these provisions. The bill allows deployers and third-party contractors to designate the documents as exempt from disclosure in the same manner as described for developers above.

EFFECTIVE DATE: October 1, 2025

§ 5 — GENERAL-PURPOSE AI

Generally requires, beginning October 1, 2026, each developer of a general-purpose AI model capable of being used by a high-risk AI system to make available to each general-purpose AI model deployer certain documentation needed to complete an impact assessment and understand the model's outputs and monitor its performance

Beginning October 1, 2026, the bill requires each developer of a general-purpose AI model capable of being used by a high-risk AI system, to the extent feasible, to make available:

1. to each general-purpose AI model deployer, the documentation and information needed for the deployer or a third-party contractor to complete an impact assessment through artifacts like system cards or other impact assessments, and

2. to each general-purpose AI model deployer or other developer, any additional documentation that is reasonably necessary to help them understand the outputs, and monitor the performance, of the general-purpose AI model to enable them to comply with the bill's provisions.

Exemptions

The provisions above do not apply to a developer that develops, or intentionally and substantially modifies, a general-purpose AI model on or after October 1, 2026, if:

1. the developer releases the general-purpose AI model under a free and open-source license that allows (a) the model to be accessed, modified, distributed, and used and (b) the model's parameters, including the weights and information about the model architecture and model usage, to be publicly available;

2. the general-purpose AI model is (a) not offered for sale in the market, (b) not intended to interact with consumers, and (c) solely used for an entity's internal purposes or under an agreement between multiple entities for their internal purposes; or

3. the model performs tasks exclusively related to an entity's internal management affairs, including ordering office supplies or processing payments.

A developer that takes any action under the first two exemptions bears the burden of demonstrating that the action qualifies for the exemption.

Risk Management Framework

An exempt developer under the second exemption above must establish and maintain an AI risk management framework, which must be the product of an iterative process and ongoing efforts, and include, at a minimum:

1. an internal governance function;

2. a map function that establishes the context to frame risks;

3. a risk management function; and

4. a function to measure identified risks by assessing, analyzing,

and tracking them.

Disclosure Exemption

The bill specifies that it does not require a developer to disclose any information that is a trade secret or protected from disclosure under state or federal law.

Disclosure to Attorney General

Substantially similar to the developer disclosure provision in § 2, the bill allows the attorney general, beginning October 1, 2026, to require developers to disclose to him, as part of an investigation about a suspected violation, any documentation the general-purpose AI provision requires developers to maintain. The bill requires a developer to produce documents with 90 days after the attorney general requests them. The attorney general may evaluate these documents to ensure compliance with the bill. The bill also allows developers to designate the documentation as exempt from disclosure in the same manner as described above.

EFFECTIVE DATE: October 1, 2025

§ 6 — PUBLIC DISCLOSURE REQUIREMENTS

Generally requires, beginning October 1, 2026, anyone doing business in Connecticut who deploys an AI system that interacts with consumers to ensure it is disclosed to each consumer the system interacts with that the consumer is interacting with an AI system

Beginning October 1, 2026, the bill generally requires anyone doing business in the state, including each deployer that deploys, offers, sells, leases, licenses, gives, or otherwise makes available an AI system that is intended to interact with consumers, to ensure that it is disclosed to each consumer who interacts with the system that the consumer is interacting with an AI system.

This disclosure is not required when a reasonable person would deem it obvious that he or she is interacting with an AI system.

EFFECTIVE DATE: October 1, 2025

§ 7 — SYNTHETIC DIGITAL CONTENT

Generally requires, beginning October 1, 2026, an AI system developer that is capable of generating synthetic digital content to include certain labels and ensure technical solutions are effective

Developer Labeling and Technical Standards

Beginning October 1, 2026, the bill generally requires developers of AI systems that are capable of generating synthetic digital content to include certain labels and ensure their technical solutions are effective, among other things.

Under the bill, "synthetic digital content" is any digital content, including any audio, image, text, or video, that is produced or manipulated by an AI system, including a general-purpose AI model.

The AI system developer must ensure the AI system outputs are marked and detectable as synthetic digital content (1) by the time the consumer, who did not create the outputs, first interacts with, or is exposed to, the outputs and (2) in a way that is detectable by consumers and complies with any applicable accessibility requirements. As technically feasible and in a way that is consistent with any nationally or internationally recognized technical standards, the developer must ensure its technical solutions are effective, interoperable, robust, and reliable, considering the specificities and limitations of the different types of synthetic digital content, the implementation costs, and the generally acknowledged state-of-the-art.

Exemptions. For synthetic digital content that is in an audio, image, or video format and is part of an evidently artistic, creative, satirical, fictional analogous work or program, the required disclosure must be limited to a disclosure that does not hinder the display or enjoyment of the work or program.

Additionally, no disclosure is required if the synthetic digital content:

1. consists exclusively of text,

2. is published to inform the public on matters of public interest, or

3. is unlikely to mislead a reasonable person consuming the

content.

The disclosure requirements also do not apply to the extent any AI system is used to perform an assistive function for standard editing; does not substantially alter the input data the developer provides or its semantics; or is used to detect, prevent, investigate, or prosecute any crime when authorized by law.

EFFECTIVE DATE: October 1, 2025

§ 8 — ABILITY TO COMPLY WITH STATE OR FEDERAL LAWS OR TAKE CERTAIN OTHER ACTIONS

Specifies that the bill's requirements do not restrict a developer's, integrator's, deployer's, or other person's ability to take certain actions (e.g., comply with federal and state law, cooperate with law enforcement, and engage in research); deems certain insurance and banking entities in compliance with the bill's provisions

Compliance and Other Actions

The bill specifies that nothing in its provisions restrict a developer's, integrator's, deployer's, or other person's ability to:

1. comply with federal, state, or municipal law, ordinances, or regulations, or a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, municipal, or other governmental authorities;

2. cooperate with law enforcement agencies concerning conduct or activity that the developer, integrator, deployer, or other person reasonably and in good faith believes may violate federal, state, or municipal law;

3. investigate, establish, exercise, prepare for, or defend legal claims;

4. take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or another person;

5. (a) by any means other than facial recognition technology, prevent, detect, protect against, or respond to security incidents or malicious or deceptive activities, or identity theft, fraud,

harassment, or any illegal activity; (b) investigate, report, or prosecute those responsible for these actions; or (c) preserve system integrity or security;

6. engage in public- or peer-reviewed scientific or statistical research in the public interest that (a) follows applicable ethics and privacy laws and (b) is conducted under the federal policy for protecting human subjects (45 C.F.R. Part 46) and relevant requirements of the federal Food and Drug Administration (FDA);

7. conduct any research, testing, development, and integration activities on any AI system or model, other than testing under real world conditions, before it is placed on the market, deployed, or put into service;

8. effectuate a product recall;

9. identify and repair technical errors that impair existing or intended functionality; or

10. assist another developer, integrator, deployer, or person with any obligations imposed by the bill.

Evidentiary Privilege

The obligations imposed on developers, integrators, deployers, or other persons under the bill do not apply where compliance would violate an evidentiary privilege under state law.

Constitutional Rights and Obligations

The bill states that its provisions are not to be construed to impose an obligation on a developer, integrator, deployer, or other person that adversely affects the rights or freedoms of any person, including rights to free speech or freedom of the press guaranteed under the First Amendment of the U.S. Constitution and the Connecticut Constitution (Conn. Const., Art. I, § 5) or rights under the state law protecting news media from compelled disclosure of information (CGS § 52-146t).

Federal Approvals, Research, and Work

The bill exempts from its requirements any developer, integrator, deployer, or other person who develops, integrates, deploys, puts into service, or intentionally and substantially modifies a high-risk AI system that:

1. has been approved, authorized, certified, cleared, developed, integrated, or granted by a (a) federal agency, such as the FDA or the Federal Aviation Administration (FAA), acting within their authority or (b) regulated entity subject to the federal Housing Finance Agency's supervision and regulation; or

2. complies with federal agency standards, including the federal Office of the National Coordinator for Health Information Technology standards, that are substantially equivalent to, and as stringent as, the bill's standards.

The bill also does not apply to any developer, integrator, deployer, or other person who:

1. conducts research to support an application for approval or certification from any federal agency, including the FAA, FDA, or Federal Communications Commission, or that is otherwise subject to agency review;

2. performs work under, or in connection with, a contract with the U.S. departments of Commerce or Defense or NASA, unless the developer, integrator, deployer, or other person is performing the work on a high-risk AI system that is used to make, or as a substantial factor in making, a decision concerning employment or housing;

3. facilitates or engages in telehealth services or is a covered entity under the Health Insurance Portability and Accountability Act (HIPAA) and is providing health care recommendations that (a) are AI-generated, (b) require a health care provider to take action to implement the recommendations, and (c) are not considered

to be high-risk; or

4. is an active participant in the AI regulatory sandbox program designed, established, and administered under the bill (see § 12 below) and is engaged in activities within the scope of the program.

The bill specifies that its provisions do not apply to any AI system that is acquired by or for the federal government or any federal agency or department, including the U.S. departments of Commerce or Defense or NASA, unless the system is a high-risk AI system that is used to make, or as a substantial factor in making, a decision concerning employment or housing.

Insurers

Under the bill, any insurer, fraternal benefit society, or health carrier is deemed in full compliance with the bill's provisions if it has implemented and maintains a written AI systems program following all the requirements the insurance commissioner establishes.

Banking Entities

The bill deems certain banking entities to be in full compliance with its requirements if the entity is subject to examination by a state or federal prudential regulator under any published guidance or regulations that apply to using high-risk AI systems that meet certain standards. The guidance or regulations must impose requirements that are substantially equivalent to, and at least as stringent as, the bill's requirements and require the banking entity to, at a minimum:

1. regularly audit its use of high-risk AI systems for compliance with applicable state and federal anti-discrimination laws and regulations and

2. mitigate any algorithmic discrimination the system causes or that is reasonably foreseeable.

This exemption applies to banks; out-of-state banks; mortgage

lenders; Connecticut, out-of-state, or federal credit unions; and any affiliate, subsidiary, or service provider.

Burden of Proof

Under the bill, if a developer, integrator, deployer, or other person engages in an exempted action, it bears the burden of demonstrating that the action qualifies for the exemption.

EFFECTIVE DATE: October 1, 2025

§ 9 — EDUCATION, OUTREACH, AND ASSISTANCE PROGRAM

Requires the attorney general, by January 1, 2026, and within available appropriations, to develop and implement a comprehensive public education, outreach, and assistance program for developers, integrators, and deployers that are small businesses

The bill requires the attorney general, by January 1, 2026, and within available appropriations, to develop and implement a comprehensive public education, outreach, and assistance program for developers, integrators, and deployers that are small businesses. At a minimum, the program must disseminate educational materials concerning (1) the bill's requirements, including the duties of developers, integrators, and deployers; (2) the required deployer impact assessments; (3) the attorney general's powers under the bill; and (4) any other matters the attorney general deems relevant for the program.

Under the bill, and as under the Uniform Administrative Procedure Act, a "small business" is generally a business entity, including its affiliates, that (1) is independently owned and operated and (2) employs fewer than 250 full-time employees or has gross annual sales of less than $5 million.

EFFECTIVE DATE: October 1, 2025

§ 10 — ATTORNEY GENERAL ENFORCEMENT

Gives the attorney general exclusive authority to enforce the AI provisions listed above; requires a one-year grace period to allow violators an opportunity to cure violations; provides certain affirmative defenses; deems violations CUTPA violations, but does not provide a private right of action

Under the bill, the attorney general has exclusive authority to enforce the AI provisions above (§§ 1-9).

The bill establishes a grace period from October 1, 2026, to September 30, 2027, during which the attorney general must give violators an opportunity to cure any violations. Beginning October 1, 2027, the bill gives the attorney general discretion over whether to provide an opportunity to correct an alleged violation.

The bill specifies that none of its provisions can be construed as providing the basis for, or be subject to, a private right of action for violations.

Under the bill, any violation of the bill's requirements is a Connecticut Unfair Trade Practices Act (CUTPA, see BACKGROUND) violation, except for ones occurring during the grace period, those the attorney general allows a violator to cure, or those with an affirmative defense (see below). Additionally, CUTPA's private right of action and class action provisions do not apply to violations.

Notice of and Opportunity to Correct Violations

The bill generally requires the attorney general to allow a grace period to give violators an opportunity to cure a violation between October 1, 2026, to September 30, 2027. The bill requires the attorney general, before initiating any action for a violation, to issue a notice of violation to the deployer, developer, or other person if he determines a cure is possible. If the deployer, developer, or other person fails to cure the violation within 60 days after receiving notice, the attorney general may bring an action to enforce.

Violations After September 30, 2027. Beginning on October 1, 2027, the attorney general may, in determining whether to give a deployer, integrator, developer, or other person the opportunity to cure a violation, consider:

1. the number of violations;

2. the deployer's, integrator's, developer's, or other person's size and complexity and the nature and extent of its business;

3. the substantial likelihood of injury to the public;

4. the safety of individuals or property; and

5. whether the violation was likely caused by human or technical error.

Affirmative Defenses

Under the bill, in any attorney general action, it is an affirmative defense that the developer, integrator, deployer, or other person:

1. discovered a violation through red-teaming;

2. within 60 days after discovering the violation, cured it and notified the attorney general, in a way he prescribes, that the violation has been cured with evidence that any harm the violation caused has been mitigated; and

3. otherwise complies with the latest version of (a) the "Artificial Intelligence Risk Management Framework" that the National Institute of Standards and Technology publishes; (b) ISO or IEC 42001 of the International Organization for Standardization; (c) another nationally or internationally recognized risk management framework for AI systems that imposes requirements that are substantially equivalent to, and at least as stringent as, the bill's requirements; or (d) any AI system's risk management framework that is substantially equivalent to, and at least as stringent as, the requirements set by the previously listed publications.

Generally, "red-teaming" is an adversarial exercise that is conducted to identify an AI system's potential adverse behaviors or outcomes, how the behaviors or outcomes occur, and stress test the safeguards against these behaviors or outcomes.

The developer, integrator, deployer, or other person bears the burden of demonstrating to the attorney general that the requirements for these affirmative defenses have been satisfied.

The bill specifies that it does not preempt or affect any right, claim, remedy, presumption, or defense available under the law or equity. Any rebuttable presumption or affirmative defense the bill establishes only applies to an attorney general enforcement action and does not apply to any of the legal actions stated above.

EFFECTIVE DATE: October 1, 2025

§ 11 — CONNECTICUT ACADEMY OF SCIENCE AND ENGINEERING LIAISONS

Allows four legislative leaders to request CASE members to serve as a liaison between the academy and state government; requires liaisons to serve certain purposes, such as designing tools to determine compliance with the bill's requirements and evaluating the adoption of AI systems by businesses

The bill allows each of four legislative leaders (the House speaker, the Senate president pro tempore, and the House and Senate minority leaders) to request that the Connecticut Academy of Science and Engineering (CASE) executive director designate a member to serve as the leader's liaison with the academy, the Office of the Attorney General, and the Department of Economic and Community Development (DECD). The liaison's purpose is to:

1. design a tool to (a) allow a person to determine if they comply with the bill's requirements and (b) help a deployer or its third-party contractor complete an impact assessment;

2. meet with relevant stakeholders to form a plan to use the UConn School of Law's Intellectual Property and Entrepreneurship Law Clinic to assist small businesses and startups in their efforts to comply with the bill's provisions;

3. make recommendations for establishing a framework to provide a controlled and supervised environment where AI systems may be tested, which must at least include recommendations on establishing (a) an office to oversee the framework and environment and (b) a program that would enable consultations between the state, businesses, and other stakeholders on the framework and environment;

4. evaluate (a) the adoption of AI systems by businesses; (b) the challenges posed to, and needs of, businesses in adopting these systems and understanding laws and regulations on them; and (c) how businesses that use AI systems hire employees with necessary skills for them;

5. create a plan for the state to provide high-performance computing services to businesses and researchers in Connecticut;

6. evaluate the benefits of creating a state-wide research collaborative among health care providers to enable the development of advanced analytics, ethical and trustworthy AI systems, and hands-on workforce education while using methods that protect patient privacy; and

7. evaluate and make recommendations on (a) establishing testbeds to support safeguards and systems to prevent misusing AI systems; (b) risk assessments for misusing AI systems; (c) evaluation strategies for AI systems; and (d) developing, testing, and evaluating resources to support state oversight of AI systems.

The bill prohibits any CASE-designated member from being deemed a state employee or receiving any compensation from the state for performing his or her duties under this provision.

EFFECTIVE DATE: October 1, 2025

§ 12 — REGULATORY SANDBOX

Requires DECD to design, establish, and administer an AI regulatory sandbox program to facilitate the development, testing, and deployment of innovative AI systems in the state; requires active participants to report to DECD quarterly and DECD to report to the General Law Committee annually

The bill requires DECD, in coordination with the state's chief data officer and the Connecticut Technology Advisory Board (see § 16 below), to design, establish, and administer an AI regulatory sandbox program to facilitate the development, testing, and deployment of innovative AI systems in the state. The program must be designed to:

1. promote the safe and innovative use of AI systems across various sectors, including education, finance, health care, and public service;

2. encourage the responsible deployment of AI systems while balancing the need for consumer protection, privacy, and public safety; and

3. provide clear guidelines for developers to test AI systems while exempting them from certain regulatory requirements during the allowable testing period.

Application

A person seeking to participate in the program must submit an application to DECD in a way the commissioner prescribes. Each application must include:

1. a detailed description of the applicant's AI system and its intended uses;

2. a risk assessment that addresses the potential impact of the applicant's AI system on consumers, privacy, and public safety;

3. a plan for mitigating any adverse consequences that may arise from the applicant's AI system during the allowable testing period;

4. proof that the applicant and the applicant's AI system comply with all applicable federal laws and regulations on AI systems; and

5. any other information the commissioner deems relevant.

Within 30 days after DECD receives an application, it must approve or deny the application and send a notice to the applicant with the decision.

Testing Period

The bill allows an active participant in the AI regulatory sandbox program to test the applicant's AI system as part of the program for up to 18 months from when DECD sent its approval notice of the active participant's application, except the department may extend the period for good cause shown.

Oversight

DECD must coordinate with all relevant state agencies to oversee the operations of active participants in the AI regulatory sandbox program. Any state agency may recommend to DECD that an active participant's participation in the program be revoked if the participant's AI system (1) poses an undue risk to the public health, safety, or welfare, or (2) violates any federal law or regulation.

Reports

Beginning with the calendar quarter ending December 31, 2025, and for each calendar quarter after, the bill requires each active participant in the AI regulatory sandbox program to, within 30 days after the calendar quarter ends, submit a report to DECD disclosing:

1. system performance metrics for the participant's AI system;
2. information on the way the participant's AI system mitigated any risks associated with the system; and
3. any feedback the participant received from deployers, consumers, and other AI system users.

Beginning with the calendar year ending December 31, 2025, and for each calendar year after, DECD must, within 30 days after the end of the calendar year, submit a report to the General Law Committee. Each report must disclose:

1. the number of persons who were active participants in the AI regulatory sandbox program for any part of that calendar year,
2. the overall performance and impact of AI systems the program tested, and

3. any recommendations for legislation regarding the program.

EFFECTIVE DATE: October 1, 2025

§§ 13-15 — CONNECTICUT AI ACADEMY

Requires BOR to establish a "Connecticut AI Academy" to curate and offer online courses on AI and its responsible use; requires DOL to provide information about the academy to those who claim unemployment compensation; requires the early childhood commissioner to ensure that all home visiting programs provide information to parents about the academy

AI Academy (§ 13)

The bill requires the Board of Regents (BOR) to establish a "Connecticut AI Academy" to curate and offer online courses on AI and its responsible use. It must do this by December 31, 2025, on behalf of Charter Oak State College and in consultation with the Department of Labor (DOL), the State Board of Education, workforce investment boards, employers, and Connecticut higher education institutions. The academy must, at a minimum:

1. curate and offer online courses on AI and its responsible use;

2. promote digital literacy;

3. prepare students for careers in fields involving AI;

4. offer courses directed at individuals between ages 13 and 20;

5. offer courses that prepare small businesses and nonprofit organizations to use AI to improve marketing and management efficiency;

6. develop courses on AI that DOL and workforce investment boards may incorporate into workforce training programs; and

7. enable people providing free or discounted public Internet access to distribute information and provide mentorship on (a) AI, (b) the academy, and (c) methods available for the public to obtain free or discounted devices capable of accessing the Internet and using AI.

BOR must, in consultation with Charter Oak State College, develop certificates and badges to be awarded to individuals who successfully complete courses the academy offers.

Unemployment (§ 14)

The bill requires DOL to provide a notice, in a DOL commissioner-prescribed form and manner, to anyone making a claim for unemployment compensation about the courses and services the Connecticut AI Academy offers.

Connecticut Home Visiting System (§ 15)

By law, the early childhood commissioner must establish the structure for a statewide home visiting system that demonstrates the benefits of preventive services by significantly reducing the abuse and neglect of infants and young children with home outreach with families identified as high-risk. Under the bill, the commissioner must ensure that all home visiting programs provide information to parents about the Connecticut AI Academy.

§ 16 — CONNECTICUT TECHNOLOGY ADVISORY BOARD

Establishes a Connecticut Technology Advisory Board within the Legislative Department to develop and adopt a state technology strategy to promote education, workforce development, economic development, and consumer protection, among other things

Board Membership and Administration

The bill establishes, within available appropriations, an 11-member Connecticut Technology Advisory Board within the Legislative Department. The House speaker, Senate president pro tempore, and House and Senate minority leaders each must appoint two members to the board who are not state legislators. All appointees must have professional experience or academic qualifications in the AI or technology fields or a related field.

All initial appointments must be made by October 1, 2025. Each appointed member's term must be coterminous with the appointing authority's term and the appointing authority must fill any vacancy. Any vacancy occurring other than by term expiration must be filled for the rest of the unexpired term, and board members may serve more than

one term.

Additionally, the following individuals or their designees serve as ex-officio nonvoting members and the board's chairpersons: (1) the DECD commissioner, (2) the CASE executive director, and (3) the Charter Oak State College president. The chairpersons must schedule and hold the first meeting by November 1, 2025. The board must meet at least twice annually, but may meet other times as the chairpersons or a majority of the board members deem necessary.

The General Law and Government Administration and Elections committees' administrative staff must serve as the board's administrative staff.

Board Powers and Duties

Under the bill, the board has the following powers and duties:

1. to develop and adopt a state technology strategy (a) to promote education, workforce development, economic development, and consumer protection, and (b) that accounts for the rapid pace of technological development, including in the AI field;

2. to update the state technology strategy at least once every two years;

3. to issue reports and recommendations;

4. upon the majority vote of board members, to request any state agency data officer or state agency head to (a) appear before the board to answer questions or (b) provide assistance and data as may be needed for the board to perform its duties;

5. to make recommendations to the legislative, executive, or judicial departments in accordance with the state technology strategy; and

6. to establish bylaws to govern the board's procedures.

§ 17 — TECHNOLOGY TRANSFER PROGRAM

Requires DECD to develop a plan to establish a technology transfer program within CI, to support technology transfers by and among public and private Connecticut higher education institutions

The bill requires DECD to develop a plan to establish a technology transfer program within Connecticut Innovations, Inc. (CI), to support technology transfers by and among public and private Connecticut higher education institutions. DECD must do this by December 31, 2025, within available appropriations, and in collaboration with Charter Oak State College.

The DECD commissioner, by January 1, 2026, must submit a report to the Commerce, General Law, and Higher Education and Employment Advancement committees that includes the developed plan.

§ 18 — CONFIDENTIAL COMPUTING CLUSTER AND POLICY BOARD

Requires the DECD commissioner to establish a confidential computing cluster to foster the exchange of health information to support academic and medical research; establishes a policy board to oversee the cluster

The bill requires the DECD commissioner to establish a confidential computing cluster to foster the exchange of health information to support academic and medical research. He must do this by December 31, 2025, within available appropriations, and in collaboration with the Office of Health Strategy (OHS).

Under the bill, the Connecticut Confidential Computing Cluster Policy Board oversees the cluster and is in DECD for administrative purposes only. The board must consist of (1) the UConn Health Center board of directors chairperson, or the chairperson's designee, and (2) a statewide Health Information Exchange representative the OHS commissioner appoints. The board (1) must direct the formulation of policies and operating procedures for the cluster and (2) may apply for and administer any federal, state, local, or private appropriations or funds made available to operate the cluster.

§ 19 — COMPUTER SCIENCE EDUCATION AND WORKFORCE DEVELOPMENT ACCOUNT

Expands the purposes of the "computer science education and workforce development account" to allow SDE to make expenditures to support workforce development initiatives the Connecticut Technology Advisory Board develops

The bill expands the purposes of the "computer science education account" and renames it the "computer science education and workforce development account." As under current law, the account is a separate, nonlapsing account in the General Fund.

The bill allows the State Department of Education (SDE) to use the account funds, in coordination with the Office of Workforce Strategy and BOR, to support workforce development initiatives the Connecticut Technology Advisory Board develops (see § 16 above).

§§ 20 & 21 — TECHNOLOGY TALENT AND INNOVATION FUND ADVISORY COMMITTEE

Repurposes the "Technology Talent Advisory Committee" to develop programs to expand the technology talent pipeline in the state in the fields of AI and quantum computing

The bill repurposes the "Technology Talent Advisory Committee," which is within DECD, and renames it the "Technology Talent and Innovation Fund Advisory Committee."

Under current law, the committee must (1) calculate certain statistics on the number of state residents in technology-related fields and (2) develop pilot programs for recruiting software developers and training state residents in software development and other topics.

The bill eliminates these requirements and instead requires the committee to develop programs to expand the state's technology talent pipeline, including in the fields of AI and quantum computing. It allows the committee to partner with higher education institutions and other nonprofit organizations in developing these programs.

By July 1, 2026, the bill requires the committee to partner with Connecticut public and private higher education institutions and other training providers to develop programs in the AI field, including in areas such as prompt engineering (i.e. the process of guiding a generative AI system to generate a desired output), AI marketing for small businesses, and AI for small business operations.

As under existing law, the DECD commissioner determines the committee's size and appoints the members, which must at least include representatives of UConn, BOR, independent institutions of higher education, the Office of Workforce Strategy, and private industry. The committee (1) designates its chairperson from among the members and (2) must meet at least quarterly and at other times the chairperson deems necessary.

The bill also makes technical and conforming changes.

§ 22 — CT AI SYMPOSIUM

Requires DECD, by December 31, 2025, to conduct a "CT AI Symposium"

The bill requires DECD, by December 31, 2025, and within available appropriations, to partner with Connecticut public and private higher education institutions and coordinate with the AI industry to conduct a "CT AI Symposium." The symposium is to foster collaboration between academia, government, and the AI industry to promote the establishment and growth of AI businesses in the state.

§ 23 — STATE AGENCY STUDY OF AI

Requires each state agency, in consultation with the labor unions, to study how generative AI may be incorporated in its processes to improve efficiencies; requires each agency to submit a report on the study and potential pilot projects by January 1, 2026, which the DAS commissioner must assess; requires the DAS commissioner to submit a legislative report on the pilot projects and recommendations on additional ones

The bill requires each state agency, in consultation with the labor unions representing that agency's employees, to study how generative AI may be incorporated in its processes to improve efficiencies. Each agency must prepare for these incorporations with input from its employees, including any applicable collective bargaining unit, and appropriate experts from civil society organizations, academia, and industry. Under the bill, "state agency" means each department, board, council, commission, institution, or other executive branch agency, including public higher education institutions.

By January 1, 2026, each agency must submit the study results to the Department of Administrative Services (DAS), including a request for approval of any potential pilot project using generative AI the agency

intends to establish, provided the use follows the Office of Policy and Management (OPM)-established AI policies and procedures. Any pilot project must measure how generative AI (1) improves Connecticut residents' experience with and access to government services and (2) supports agency employees in performing their duties, in addition to any domain-specific impacts the agency measures. The DAS commissioner (1) must assess these proposals and ensure they will not result in any unlawful discrimination or disparate impact and (2) may disapprove any pilot that fails the assessment or requires additional legislative authorization.

By February 1, 2026, the DAS commissioner must submit a report to the General Law and Government Administration and Elections committees with a summary of all approved pilot projects and any recommendations for legislation needed to implement additional ones.

§ 24 — PRE-MARKET TESTING

Specifies that the types of technologies, products, and processes eligible for pre-market testing by state agencies include an AI system

The bill specifies that the types of technologies, products, and processes eligible for pre-market testing by state agencies include an AI system. Under existing law, these technologies, products, and processes may be tested by state agencies on a trial basis to validate their commercial viability.

§ 24 — AI SYSTEMS FELLOWSHIP PROGRAM

Requires various entities to work together to establish an AI systems fellowship program to help the state implement AI systems the state procures; requires the governor to appoint three fellows by January 1, 2026

The bill requires the OPM secretary, DAS commissioner, CI, and the state's chief information officer, within available appropriations, to establish an AI systems fellowship program to assist the chief information officer and state agencies to implement AI systems the state procures under the procedures for when an emergency exists because of unusual trade or market conditions or due to extraordinary conditions that could not be foreseen. The program is within OPM for administrative purposes only.

By January 1, 2026, the governor must appoint three AI technology fellows in consultation with the chief information officer. Each fellow must have professional experience or academic qualifications in the AI field and perform their duties under the chief information officer's supervision. The initial term for the fellowship expires on January 31, 2029, with the following terms being two years. A fellow may serve more than one term.

The governor must fill any vacancy in consultation with the chief information officer within 30 days after the vacancy.

§ 25 — WORKING GROUP

Establishes a working group within the Legislative Department to engage stakeholders and experts to make recommendations on certain AI-related issues; requires the group to report by February 1, 2026

The bill establishes a working group to engage stakeholders and experts to make recommendations on:

1. the best practices to avoid the negative impacts, and to maximize the positive impacts, on services and state employees in connection with implementing new digital technologies and AI;

2. collecting reports, recommendations, and plans from state agencies considering AI implementation, and assessing these against the best practices; and

3. any other matters the working group deems relevant for avoiding the negative impacts and maximizing the positive impacts.

The working group must also:

1. make recommendations on ways to create resources to help small businesses adopt AI to improve their efficiency and operations;

2. propose legislation to (a) regulate the use of general-purpose AI and (b) require social media platforms to provide a signal when they are displaying synthetic digital content;

3. propose other legislation on AI after reviewing other states' enacted and proposed AI laws and regulations;

4. develop an outreach plan to bridge the digital divide and provide workforce training to individuals who do not have high-speed Internet access;

5. evaluate and make recommendations on (a) establishing testbeds to support safeguards and systems to prevent AI misuse; (b) assessing risk for AI misuse; (c) evaluating AI strategies; and (d) developing, testing, and evaluating resources to support state oversight of AI;

6. review the protections for trade secrets and other proprietary information under existing state law and make recommendations on these protections;

7. study AI-related definitions, including the bill's definition of a high-risk AI system, and make recommendations on including language specifying that no AI system is considered to be a high-risk AI system if it does not pose a significant risk of harm to the health, safety, or fundamental rights of individuals, including by not materially influencing the outcome of any decision-making;

8. make recommendations for the establishment and membership of a permanent AI advisory council; and

9. make other recommendations on AI as the working group deems appropriate.

Voting Members

Under the bill, the working group must be within the Legislative Department. (Its membership is similar to the AI Working Group established in PA 23-16.) The table below shows the working group's voting members. In addition, all voting members must have professional experience or academic qualifications in AI, automated systems, government policy, or another related field.

Table: Working Group Voting Member Appointment and Qualifications

Appointing Authority	*Member Qualifications*
House speaker	Representative of industries developing AI
Senate president pro tempore	Representative of industries using AI
House majority leader	Academic with a concentration in the study of technology and technology policy
Senate majority leader	Academic with a concentration in the study of government and public policy
House minority leader	Representative of an industry association for industries developing AI
Senate minority leader	Representative of an industry association for industries using AI
General Law Committee chairpersons (one appointment each)	Not specified
General Law Committee ranking members (one appointment each)	Representatives of the AI industry or related industry
Labor Committee chairpersons (one appointment each)	Representatives of a labor organization
Labor Committee ranking members (one appointment each)	Representatives of small businesses
Governor (two appointments)	Two CASE members

The bill requires appointing authorities to make initial appointments by July 31, 2025, and fill any vacancies. Any working group action must be taken by a majority vote of all voting members present, and no action may be taken unless at least 50% of voting members are present.

Nonvoting Ex-Officio Members

The working group also includes the General Law and Labor and Public Employees committees' chairpersons as nonvoting ex-officio members, and the following nonvoting ex-officio members, or their designees:

1. attorney general;

2. state comptroller;

3. state treasurer;

4. DAS commissioner;

5. chief data officer;

6. Freedom of Information Commission executive director;

7. Commission on Women, Children, Seniors, Equity and Opportunity executive director;

8. chief court administrator; and

9. CASE executive director.

Chairpersons and Meetings

The bill makes the General Law Committee chairpersons and the CASE executive director the working group's chairpersons. They must schedule and hold the group's first meeting by August 31, 2025.

The bill requires the General Law Committee's administrative staff to serve as the working group's administrative staff.

Report

The bill requires the working group to submit a report on its findings and recommendations to the General Law Committee by February 1, 2026. The working group terminates on that date or when it submits the report, whichever is later.

§ 26 — STATE EMPLOYEE TRAINING

Requires the DAS commissioner to (1) develop training for state agency employees on how to use certain generative AI tools and ways to identify and mitigate potential issues and (2) make these trainings available to state employees at least annually, beginning July 1, 2026

Existing law requires DAS to do ongoing assessments of systems employing AI that executive branch state agencies use to make sure that no system will result in any unlawful discrimination or disparate impact against specified people or groups of people.

The bill requires the DAS commissioner, in consultation with other state agencies, state employee collective bargaining units, and industry experts, to develop training for state agency employees. The training must be on (1) the use of generative AI tools that the commissioner

determines, based on the assessment above, achieve equitable outcomes, and (2) ways to identify and mitigate potential output inaccuracies, fabricated text, hallucinations, and biases of generative AI while respecting the public's privacy and complying with all applicable state laws and policies. Under the bill, "generative AI" is any form of AI, including a foundation model, that can produce synthetic digital content.

The bill requires the DAS commissioner to make these trainings available to state agency employees at least annually, beginning July 1, 2026.

§ 27 — ALGORITHMIC COMPUTER MODEL

Requires DECD to design an algorithmic computer model to simulate and assess various public policy decisions or proposed ones and the actual or potential effects of these decisions

The bill requires DECD, within available appropriations, to design an algorithmic computer model to simulate and assess various public policy decisions or proposed ones and the actual or potential effects of these decisions. DECD must design the model in collaboration with public and private Connecticut higher education institutions, the Department of Energy and Environmental Protection, and any other state agency the commissioner thinks is relevant.

The model must, at a minimum, be designed to:

1. function as a digital twin of the state's population;

2. algorithmically model (a) the actual or potential effects of planning and development decisions or proposed ones, and (b) the actual or potential socioeconomic effects of macroeconomic shocks on Connecticut businesses and families;

3. use large quantities of data to support the development of public policies on coastline resiliency, family assistance, and workforce development; and

4. enable data-driven governance by optimizing resource allocation

and policy efficiency to further economic resilience and social equity.

§ 28 — UNLAWFUL DISSEMINATION OF AN INTIMATE IMAGE

Makes it a crime, under certain conditions, to intentionally disseminate a synthetic intimate image; as under existing law, it is a class A misdemeanor if the image is disseminated to one person and a class D felony if it is disseminated to more than one through certain electronic means

The bill makes it a crime, under certain conditions, to intentionally disseminate a synthetic intimate image. The bill does so by specifying that the dissemination of these images is included within the existing crime of unlawful dissemination of an intimate image. Under the bill, a "synthetic image" is any photograph, film, videotape, or other image that (1) is not wholly recorded by a camera; (2) is either partially or wholly generated by a computer system; and (3) depicts, and is virtually indistinguishable from an actual representation of, an identifiable person.

Under current law, someone is guilty of this crime when the person intentionally disseminates an intimate image (including video) without the other person's consent, knowing that the other person believed the image would not be disseminated, and the other person suffers harm because of this. The bill eliminates the requirement that the person believed the image would not be disseminated.

As under existing law, this crime applies to images of a person in certain degrees of nudity or engaged in sexual intercourse. It does not apply in certain circumstances, such as if the image resulted from voluntary exposure in public.

By law, this crime is a (1) class A misdemeanor (punishable by up to 364 days in prison, a fine of up to $2,000, or both) if unlawfully distributed to one person, or (2) class D felony (punishable by up to five years in prison, a fine of up to $5,000, or both) if unlawfully distributed to multiple people by means of an interactive computer service, an information service, or a telecommunications service.

EFFECTIVE DATE: October 1, 2025

BACKGROUND

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the consumer protection commissioner to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than $10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to $5,000 for willful violations and up to $25,000 for a restraining order violation.

Related Bills

sSB 10, § 5, favorably reported by the Insurance and Real Estate Committee, prohibits health carriers from using AI or algorithms in place of a clinical peer to evaluate the clinical appropriateness of an adverse determination.

SB 1248, favorably reported by the General Law Committee, requires various AI-related reviews, programs, and funds, including establishing an AI regulatory sandbox program. It also specifies that it is generally not a defense to any civil or administrative claim or action that an AI system committed or was used in furthering the act or omission the claim or action is based on.

sSB 1484, favorably reported by the Labor and Public Employees Committee, imposes limits on an employer's use of high-risk AI systems to make consequential decisions by, among other things, requiring employers to have an impact assessment before deploying a high-risk AI system and giving employees certain information about the systems and how they are used.

HB 6846 (File 143), favorably reported by the Government Administration and Elections Committee, generally makes it a crime for a person to, 90 days before an election or primary, (1) distribute certain

communication with deceptive synthetic media or (2) enter into an agreement to distribute it.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute
Yea 17 Nay 4 (03/21/2025)