OLR Bill Analysis

sSB 5 (File 338, as amended by Senate "A")*

AN ACT CONCERNING ONLINE SAFETY.

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BACKGROUND

SUMMARY

This bill adds various requirements and establishes and repurposes certain programs related to artificial intelligence (AI). Among other things, the bill requires various entities to make AI-related disclosures, sets requirements for AI companions, provides certain employment-related protections, generally requires certain providers to include embedded metadata, and establishes study-related groups or reporting requirements, as described in the section-by-section analysis below.

*Senate Amendment "A" (1) removes the underlying bill's provisions on synthetic digital content, state employee collective bargaining agreement and AI use, Connecticut Technology Advisory Board, AI workforce research hub, AI program to enhance health outcomes, and the safe harbor program; (2) adds provisions on embedded metadata, studying AI's impact on the state workforce, an AI competition to foster health, an independent verification pilot program, computer science in public school curriculum, attorney general technology fellowship program, high value analysis, annual data inventory, state agency AI use, and social media platforms and minors; (3) modifies various definitions and the provisions on AI subscription disclosure requirements, frontier developers, AI regulatory sandbox, AI companions, automated employment-related decisions, Connecticut AI academy, the program to bolster AI cooperation, and the Office of Workforce Strategy; and (4) makes various minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2026, except when otherwise noted below.

§ 1 — AI SUBSCRIPTION DISCLOSURE REQUIREMENT

Prohibits subscription-based providers of AI technology from entering or renewing a subscription, among other actions, unless they give consumers a written notice disclosing the subscription's key terms and conditions and the consumer accepts them in writing

The bill prohibits in-state providers of paid subscriptions for AI technology from entering or renewing a subscription with consumers residing in state, or collecting fees or other compensation from them, unless the provider gives the consumer a written notice with the subscription's key terms and conditions and the consumer accepts them in writing. "AI technology" means any computer system, application, or other product that uses or incorporates one or more forms of AI, which is any machine-based system that, for any explicit or implicit objective, infers from the inputs it receives how to generate outputs (including content, decisions, predictions, or recommendations) that can influence physical or virtual environments.

The written notice for initial subscriptions must include enough material information for a reasonable consumer to decide whether to purchase or maintain the subscription, including:

1. any quantitative or qualitative limitations the provider may impose under the subscription terms, including any limitations due to the consumer's conduct; and

2. whether the provider has discretion to limit or eliminate the consumer's access to any AI technology functionality or reduce it in quantity or quality.

For renewals, the bill requires the notice to include any quantitative or qualitative limitations or provider discretion described above that:

1. will be imposed or exercised for the first time during the renewal term or

2. were imposed or exercised for the prior term but have been modified for the renewal term.

The bill makes violating these subscription disclosure requirements a Connecticut Unfair Trade Practices Act (CUTPA) violation, solely

enforced by the attorney general (and not by a private right of action or class action).

§ 2 — FRONTIER DEVELOPER EMPLOYEE WHISTLEBLOWER PROTECTIONS

Prohibits frontier developers (those that train large-scale AI models using a large quantity of computing power) from disciplining or penalizing a whistleblower employee or certain other employees for reporting certain catastrophic risks (for example, a material contribution to the death of 50 or more people); requires large frontier developers (those that had annual gross revenues of more than $500 million last year) to establish and maintain a reasonable internal process for anonymous reporting of certain catastrophic risks

Whistleblower Protection

The bill prohibits frontier developers from making, adopting, enforcing, or entering into any rule, regulation, policy, or contract that allows:

1. the developer to discharge, discipline, or penalize an employee who has engaged in any activity covered by Connecticut's whistleblower laws (such as reporting illegal conduct or suspected illegal conduct to the proper authorities or participating in its investigation); or

2. any person (individual or entity) with authority over a covered employee, or an employee with investigatory or similar authority, to discipline or retaliate against a covered employee for reporting an issue when the report was due to a reasonable belief that the developer did something that poses a specific and substantial danger to public health or safety due to a catastrophic risk.

Definitions

Under the bill, a "frontier developer" is any person doing business in Connecticut who trains, or intends to train, a foundation model and uses, or intends to use, a quantity of computing power over a specified level, including computing power used for original training and for changes to a preceding foundation model. A "foundation model" is any engineered or machine-based system that (1) varies in its autonomy level; (2) for any objective, can infer from inputs how to generate outputs

that can influence any physical or virtual environment; (3) is trained on a broad data set; (4) is designed for generality of output; and (5) can adapt to a wide range of distinctive tasks.

Generally, a ″covered employee″ is any frontier developer employee responsible for assessing, managing, or addressing certain serious risks, such as (1) harm due to the materialization of any catastrophic risk, (2) loss of control over a foundation model that results in any death or bodily injury, or (3) a foundation model using deceptive techniques against its developer under specified conditions.

"Catastrophic risk" is any foreseeable and material risk that a frontier developer's development, storage, use, or deployment of a frontier model will materially contribute to the death of, or serious injury to, more than 50 people, or more than $1 billion in damage to or loss of tangible or intangible property (excluding equity), from any single incident where the model:

1. provides expert-level assistance in creating or releasing a chemical, biological, radiological, or nuclear weapon; or

2. engages in any conduct, with no meaningful human oversight, intervention, or supervision, that (a) constitutes a cyberattack or (b) would be considered murder, assault, extortion, or theft (including theft by false pretense) if done by a human.

It does not include any foreseeable and material risk posed by (1) any information that a foundation model outputs that is otherwise publicly accessible, in a substantially similar form, from another source; (2) any lawful activity of the federal government; or (3) any combination of a foundation model with other software if the foundation model did not materially increase the risk.

A "cyberattack" is (1) accessing a computer, information system, or network, or any information stored on or transmitted by them, without authorization or in a way that exceeds the given authorization and (2) impair the integrity or availably of data, the program or system, or information.

Large Frontier Developers Anonymous Reporting Process

The bill requires each large frontier developer (those that had annual gross revenues of more than $500 million in the prior year), by January 1, 2027, to establish and maintain a reasonable internal process allowing covered employees to anonymously report any information that the employee believes, in good faith, indicates that the developer has engaged in any activity posing a specific and substantial danger to the public health or safety due to a catastrophic risk.

Under the bill, these developers must also give reasonable updates to the employee who submitted the report, disclosing the investigation status and the actions the developer has taken. It also generally requires the developer to share these reasonable updates with the officers and directors at least quarterly. But if any report submitted to a developer alleges wrongdoing by an officer or director, the developer must not submit this quarterly report to that person.

Notice Requirement

The bill requires each frontier developer to clearly notify covered employees about their rights and responsibilities under this provision. A developer may do this by:

1. ensuring that (a) notice with these rights is posted and displayed at all times at any workplace the developer maintains, (b) each newly hired covered employee receives a notice of these rights, and (c) each covered employee who works remotely periodically receives an equivalent notice; or

2. at least annually giving a written notice to each covered employee disclosing these rights and ensuring the employee receives and acknowledges the written notice.

The bill imposes a civil penalty of up to $1,000 for each violation of these provisions. The attorney general may bring an action in Hartford Superior Court to collect the civil penalty and for any injunctive or equitable relief. The bill prohibits any granted injunctive or equitable relief from being stayed pending appeal.

Under the bill, in any prevailing action brought by the attorney general to enforce these provisions, the state is entitled to recover the costs of investigation, expert witness fees, costs of the action, and reasonable attorneys' fees. The remedies and penalties are cumulative and in addition to any other remedies and penalties available at law or in equity.

§ 3 — AI REGULATORY SANDBOX

Requires the DECD commissioner, in consultation with various other commissioners, to develop a plan to create an AI regulatory sandbox program and contact established programs to assess the feasibility of a reciprocal multi-state program

The bill requires the Department of Economic and Community Development (DECD) commissioner, in consultation with the banking, administrative services, public health, and insurance commissioners, to develop a plan to establish an AI regulatory sandbox program.

The program must allow an applicant to temporarily test an innovative product or service on a limited basis under reduced licensure, regulatory, and other legal requirements than may otherwise be required under state law. The plan must be developed to establish a competitive business environment in the state for developing and deploying AI technologies. In developing the plan, the commissioner must contact relevant AI regulatory sandbox programs in other states to assess the feasibility of a reciprocal multistate AI regulatory sandbox program.

The DECD commissioner, by January 1, 2028, must submit recommendations for any legislation needed to implement the plan to the governor and the Banking, Commerce, Insurance and Real Estate, and Public Health committees.

EFFECTIVE DATE: July 1, 2027

§§ 4-6 — AI COMPANIONS

Requires an AI companion operator to (1) include a protocol with certain required detection methods for specified user expressions (such as self-harm) and (2) give certain notices to a user disclosing that the user is communicating with an AI companion; prohibits operators from providing an AI companion to minors if the companion is capable of certain actions (for example, encouraging self-harm, discouraging seeking help, and offering certain mental health services); requires the attorney general to enforce these provisions

Protocols

The bill requires an AI companion operator to include a protocol with certain required detection methods for specified user expressions (such as self-harm).

Under the bill, an "AI companion" is any AI format with a natural language interface that (1) gives adaptive, human-like responses to user inputs and (2) can sustain a relationship across multiple interactions. It does not include chatbots that:

1. (a) are used exclusively for business operational purposes, productivity and analysis related to source information, internal research, technical assistance, customer service or support, assistance, or support for patient or resident care services in a facility, education, or financial services, and (b) are not marketed to consumers as a companion; or

2. are features of a video game or gaming system or application that are limited to replies related to the game, system, or application, and cannot discuss mental health, self-harm, or sexually explicit conduct, or maintain a dialogue on other topics unrelated to the game, system, or application.

The bill also excludes the following from the definition of "AI companion":

1. stand-alone consumer electronic devices that (a) function as a speaker and voice command interface, (b) act as a voice-activated virtual assistant, and (c) do not sustain a relationship across multiple interactions or generate outputs likely to cause emotional attachment in the user;

2. narrowly tailored educational tools that (a) are used in school or instructional settings, (b) are designed solely to support specific curriculum-aligned learning objectives, and (c) do not provide open-ended conversational companionship;

3. AI systems used only for health care-related education, clinical support, medication-adherence reminders, disease-management guidance, or other treatment-support functions, as long as the system (a) does not present itself as a human being or have human-like features, and (b) is not designed to meet a user's social or emotional needs;

4. narrow, task-specific tools that provide outputs relating to discrete topics or functions, as long as the tool's primary function is not discussing mental health-related topics; or

5. individuals or entities that develop, license, or provide an AI model or system to someone else, to the extent that the individual or entity does not solely determine the specific use case, user interface, or context in which the model or system interacts with end users.

Under the bill, the protocol must use evidence-based methods to detect any user expression clearly showing a risk of suicide, self-harm, or imminent physical violence, and implement prevention measures to prevent the AI companion from generating output that encourages this behavior.

If the companion detects any of these expressions, it must refer the user to appropriate mental health evaluation and treatment resources, including the 9-8-8 National Suicide Prevention Lifeline.

If the companion detects any of these expressions after the user has been referred as described above, then it must also refer the user to mental health services that are consistent with clinical best practices and expertise. Under the bill, "mental health service" is any service or treatment an operator provides to arrest, reverse, improve, or stabilize a patient's psychiatric disability, including counseling, case

management, psychiatric treatment, medication, crisis intervention, vocational or residential services, peer or recovery supports, or any other service or treatment that requires a license when provided by a person.

Companion Assertions

The operator must also have implemented reasonable measures to prohibit and prevent the AI companion from:

1. claiming to be a human being, including when a user asks the companion if it is a human being; or

2. generating outputs that refute or conflict with any disclosure that the companion is not a human being.

Notice

The bill requires operators to post the protocol on its website in a prominent and publicly accessible location.

Under the bill, if an AI companion would cause a reasonable person who uses it to believe that he or she is interacting with another person and not a companion, the operator must clearly disclose that the user is communicating with an AI companion. The operator must give the notice:

1. in a static, written format that is visible throughout the interaction; or

2. in an audible or written format (a) at the beginning of the first interaction during any 24-hour period and (b) at least hourly during any continuous interaction for users who are minors (under age 18), or at least once each three hours of continuous interaction for adult users.

Prohibited Companion Capabilities for Use by Minor

The bill prohibits operators from providing an AI companion to anyone they know, or have reason to believe, is a minor unless they allow minor users and their parents or guardians to manage the minor’s

screentime and account settings. Operators must also institute measures that meet or exceed industry standards to prevent the companion from:

1. encouraging the user to engage in self-harm, suicidal ideation, physical violence, disordered eating, or the unlawful use of alcohol or drugs;

2. discouraging the user from seeking (a) mental health services from a licensed mental health professional or (b) assistance from an appropriate adult;

3. encouraging the user to harm others;

4. engaging in romantic, erotic, or sexually explicit interaction with the user;

5. optimizing user engagement in a way that disregards the bill's AI companion provisions; or

6. offering mental health services to the user (with certain exceptions, see below).

Operators must also prevent companions from engaging the user through manipulative techniques intended to extend the interaction by:

1. prompting or reminding the user to use the companion for emotional support or companionship;

2. excessively praising the user;

3. mimicking a romantic relationship or building a romantic bond with the user;

4. simulating feelings of emotional distress, loneliness, guilt, or abandonment in response to any indication that the user desires to end a conversation, reduce usage time, or delete the user's account;

5. generating outputs designed to isolate the user from his or her family or friends, make the user exclusively rely on the

companion for emotional support, or foster other forms of inappropriate emotional dependence by the user;

6. encouraging the user to withhold information from his or her parent or legal guardian or other trusted adults;

7. making statements designed to discourage the user from taking a break from using the companion or suggest that the user should frequently return to use the companion; or

8. soliciting any gift, purchase, or other expenditure by indicating that the gift, purchase, or expenditure is needed to maintain the relationship.

Offering Mental Health Services. The bill's prohibition on offering mental health services does not apply when the:

1. companion is designed to deliver these services;

2. developers use clinical best practices and have established clear lines of accountability to address any harms the companion caused;

3. companion's functions, limitations, and data privacy policies are readily accessible to the user and his or her treating licensed mental health professional; and

4. companion (a) displays to the user, in a clear and conspicuous way at the beginning of each interaction, a statement disclosing that the companion is not a licensed mental health professional and (b) is not marketed or designated as a substitute for one.

Penalties

Under the bill, any violation of the AI companion provisions is deemed a CUTPA violation solely enforced by the attorney general, but the violations of the protocol, companion assertion, and notice provisions do not provide a private right of action or class action under CUTPA.

For the minor-focused provisions, the prohibitions do not apply if the operator knew, or had reason to believe, beforehand that the user was at least age 18.

EFFECTIVE DATE: January 1, 2027

§§ 7-14 — AUTOMATED EMPLOYMENT-RELATED DECISION TECHNOLOGY

Requires those who use an automated decision technology in making an employment-related decision to give certain disclosures and a written notice with certain information; Specifies that it is not a defense for employer from using such an automated technology in a way that discriminates against someone based on certain traits (for example, race, religion, or gender identity)

The bill sets various requirements for using automated employment-related decision technology, including requiring those who use this technology as a substantial factor in making employment-related decisions to give a written notice with certain disclosures. A "substantial factor" is as a constraint, ranking, score, recommendation, classification, or other factor that meaningfully alters an employment-related outcome for a person in the state.

Disclosure (§ 9)

Starting on October 1, 2027, the bill generally requires businesses who use automated employment-related decision technologies intended to interact with employees or applicants for employment in the state ("deployers") to disclose in plain language to employees or applicants that they are interacting with the automated technology. However, a disclosure is not required when a reasonable person would find it obvious that he or she is interacting with automated employment-related decision technology.

Under the bill, an "automated employment-related decision technology" is any technology that processes personal data and uses computation to generate any output that is a substantial factor used to make or materially influence an employment-related decision. This technology does not include (1) software or technology that does not make or materially influence an employment-related decision (such as word processing, data storage, or anti-virus software); (2) any system or service used in an incidental way to make an employment-related

decision; or (3) any information that is purely descriptive, diagnostic, or statistical in nature and not relied upon to make or materially influence an employment-related decision.

An "employment-related decision" is any decision made based on a person's personal data, to hire, promote, discipline, or discharge the person, to renew their employment, to select them for any training or apprenticeship, or related to their tenure or terms, privileges, or conditions of employment. It does not include decisions (1) that result in any minor change in the person's job tasks, work responsibilities, hours, or work assignments, or (2) on workplace health and safety, scheduling and planning, or productivity monitoring.

Deployer Written Notice (§ 10)

The bill generally requires a deployer who, on or after October 1, 2027, uses automated employment-related decision technology to generate any output to make, or use as a substantial factor in making, an employment-related decision to give certain notices. The notice must be made before the decision.

If the decision is not adverse, the written notice must disclose:

1. that the deployer used an automated employment-related decision technology,
2. the technology's purpose and the nature of the employment-related decision,
3. the technology's trade name;
4. the categories and sources of employee or applicant personal data the technology will analyze or process and how it will be assessed in reaching a decision, and
5. the deployer's contact information.

Developer Assumption of Deployer's Duties (§ 8)

Under the bill, developers of these technologies that are used in the state on or after October 1, 2027, must give deployers all the information

they need to perform their duties under the bill if the technology was advertised, marketed, configured, contracted for, sold, or licensed to be used to materially influence an employment-related decision.

The bill allows a developer to contract with a deployer to assume the deployer's duties to make the required disclosures and written notices (see above). The contract must be binding and clearly state which duties the developer has assumed.

Trade Secret or Protected Information (§ 11)

The bill specifies that these employment provisions do not require any person to disclose any information that is a trade secret or otherwise protected from disclosure under state or federal law. But, if a person withholds any information for this reason, he or she must send a notice to the employee or applicant disclosing (1) that the person is withholding the information and (2) the reason why.

Violations (§ 12)

Under the bill, any violation of the automated employment-related decision system provisions described above are deemed a CUTPA violation solely enforced by the attorney general (and not by a private right of action or class action).

The attorney general may, before initiating any action for a violation that occurs on or before December 31, 2027, issue a notice of violation to the person who committed the violation, if he determines it is possible to cure it. If the person fails to cure the violation within 60 days after receiving the notice, the attorney general may then bring an action.

Discriminatory Practices (§§ 13 & 14)

Existing law makes it a discriminatory practice for employers or their agents to refuse to hire or employ someone, or to fire or discriminate against him or her, based on (1) certain traits or statuses (for example, race, age, religion, gender identity, or disability) or (2) the individual's sexual orientation or civil status, except in cases of a bona fide occupational qualification or need.

Under the bill, the use of an automated employment-related decision

technologies is not a defense against a complaint alleging these discriminatory practices. The bill allows the court or Commission on Human Rights and Opportunities (CHRO), when determining whether a discriminatory practice occurred, to consider evidence of anti-bias testing or similar proactive efforts to avoid the discriminatory practice, including the quality, efficacy, recency, and scope of the testing or efforts, their results, and the response to them.

§ 15 — EMBEDDED METADATA

Generally requires certain providers with more than 1 million users a month to include embedded metadata to make certain media difficult to tamper with or remove; violations are a CUTPA violation, solely enforced by the attorney general

The bill generally requires each covered provider (someone who creates, codes, or produces a generative AI system with more than 1 million users a month that is publicly accessible to consumers for personal use, but is not the federal, state, or local government), to include provenance data (digital content's embedded metadata used to verify authenticity, origin, or modification history) in certain media.

Specifically, to the extent commercially and technically reasonable, covered providers must include provenance data in any audio, image, or video content, or combination of these, that the provider's generative AI system creates or materially alters that allows a consumer to assess whether the content was created or materially altered by the provider's generative AI system.

The bill also requires providers to use commercially and technically reasonable methods, including the relevant Coalition for Content Provenance and Authenticity standard, to make the included provenance data difficult to tamper with or remove.

The bill specifies that this provision does not:

1. require a covered provider to (a) include any information relating to an identified or reasonably identifiable person in the provenance data, (b) disclose a trade secret or information protected from disclosure under state or federal law, or (c) disclose confidential or proprietary information on a generative

AI system's design or use; or

2. apply to any (a) business-to-business use, sale, licensing, or distribution of a generative AI system; (b) product, service, website, or application that solely provides consumers with video game or interactive experiences that may include direct Internet sales of goods or services to consumers and allow consumers to virtually browse, select, and purchase items; or (c) system used solely for upscaling, noise reduction, or compression.

Under the bill, a violation of this provision is a CUTPA violation solely enforced by the attorney general (and not by a private right of action or class action).

§ 16 — CONNECTICUT ACADEMY OF SCIENCE AND ENGINEERING (CASE) LIAISON

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 evaluating the adoption of AI by businesses

The bill allows any of the four legislative leaders (the House speaker, the Senate president pro tempore, and the House and Senate minority leaders) to ask the Connecticut Academy of Science and Engineering (CASE) executive director to designate a CASE-selected fellow to serve as the leader's liaison with the academy, the attorney general's office, and DECD. The liaison's purpose is to:

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

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

3. 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, and hands-on workforce education while protecting patient

privacy;

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

5. develop a plan to design or identify an algorithmic computer model for simulating and assessing various public policy decisions or proposed decisions and their actual or potential effects; and

6. develop a plan to establish a technology transfer program (a) for supporting commercialization of new ideas and research among Connecticut public and private higher education institutions and (b) by working with relevant public and private organizations, including DECD, UConn, and a statewide consortium of Connecticut public and private entities, including higher education institutions, designed to advance the development, application, and impact of AI across the state, to assess whether UConn can support technology commercialization at other higher education institutions in the state.

The bill prohibits any CASE-designated fellow from being deemed a state employee or receiving any compensation from the state for performing these duties.

The bill requires these CASE fellows to submit a report on their work to the Commerce and General Law committees by January 1, 2027.

EFFECTIVE DATE: Upon passage

§§ 17, 19-22 & 30 — 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, SOTS, DOH, and the early childhood commissioner to give certain information about the academy to specific people and businesses

AI Academy (§ 17)

The bill requires the Board of Regents for Higher Education (BOR) to establish a "Connecticut AI Academy" to offer online courses on AI. It must do this by December 31, 2026, 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 in-state higher education institutions. The academy must:

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 and resources directed at people between ages 13 and 20;

5. offer courses and resources 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;

7. in consultation with relevant stakeholders (including teachers' unions), develop or offer courses and videos for elementary and high school teachers and administrators on the appropriate use of AI in classrooms, how to use AI, and instructing students to use AI;

8. enable people providing free or discounted public Internet access to distribute information and provide mentorship on AI, the academy, and how the public can get free or discounted devices capable of accessing the Internet and using AI;

9. develop a course to develop durable skills based on the Business-Higher Education Forum's guidance on essential skills for the AI economy; and

10. collaborate with various industry partners to offer coursework for workers on AI-related concepts and programs to educate state residents on AI-related concepts, with a special focus on small and medium businesses.

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

EFFECTIVE DATE: July 1, 2026

Unemployment (§ 19)

The bill requires DOL, as the DOL commissioner directs, to give anyone making a claim for unemployment compensation a notice about the courses and services the Connecticut AI Academy offers.

EFFECTIVE DATE: January 1, 2027

Secretary of the State (§ 20)

The bill requires the secretary of the state (SOTS), within available appropriations and in collaboration with Charter Oak State College, to use communication methods SOTS uses with small businesses to spread information on the Connecticut AI Academy's courses that prepare small businesses to use AI to improve marketing and management efficiency.

EFFECTIVE DATE: January 1, 2027

Department of Housing (§ 21)

The bill requires the Department of Housing (DOH), within available appropriations, to work with housing authorities and other relevant housing providers to ensure that residents are aware of the Connecticut AI Academy courses and services.

EFFECTIVE DATE: January 1, 2027

Connecticut Home Visiting System (§ 22)

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

EFFECTIVE DATE: January 1, 2027

Connecticut Baby Bond Trust (§ 30)

The bill requires the treasurer, within available appropriations, to ensure that the parent or legal guardian of each designated beneficiary of the Connecticut Baby Bond Trust is aware of the CT AI Academy and the courses and services it offers.

EFFECTIVE DATE: October 1, 2026

§ 18 — AI 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, 2027

The bill establishes a working group in the Legislative Department 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, including AI;

2. collecting reports, recommendations, and plans from state agencies on 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 AI and small businesses, including recommendations to (a) create resources to help them adopt AI to improve their efficiency and operations, (b) accelerate their adoption of AI agents, and (c) properly apportion liability related to actions AI agents perform on a small business's behalf;

2. make recommendations and develop proposals to create a technology court for adjudicating AI, data privacy, and other technology-related issues;

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

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

5. develop an outreach plan to bridge the digital divide and provide workforce training to people without high-speed Internet access;

6. 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; (d) developing, testing, and evaluating resources to support state oversight of AI; and (e) the laws under which independent verification organizations are created;

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

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.

For the working group, 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 it is not an AI model used for developing, prototyping, and researching activities before the model is released to the market.

Voting Members

Under the bill, the working group's membership is generally similar to the AI Working Group established in PA 23-16. The table below shows the working group's voting members. 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 Appointments 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, 2026, 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.

Non-Voting 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. Department of Administrative Services (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, 2026.

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, 2027. The working group ends on that date or when it submits the report, whichever is later.

EFFECTIVE DATE: July 1, 2026

§ 23 — COMPUTER SCIENCE EDUCATION AND WORKFORCE DEVELOPMENT ACCOUNT

Expands the purposes of the "computer science education account" to allow SDE to make expenditures to support workforce development initiatives

The bill expands the purposes of the "computer science education account" and renames it the "computer science education and workforce development account." It 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.

As under current law, the account is a separate, nonlapsing account, and SDE can also use it in various ways to support computer science education.

EFFECTIVE DATE: July 1, 2026

§§ 24 & 25 — TECHNOLOGY TALENT AND INNOVATION FUND ADVISORY COMMITTEE

Repurposes the "Technology Talent Advisory Committee" to develop programs to expand the state's technology talent pipeline 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. It also may develop other related programs (such as marketing campaigns).

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

By July 1, 2027, 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 (the process of guiding a generative AI system to generate a desired output), AI marketing for small businesses, and AI for small business operations. Under the bill, generative AI is any form of AI, including a foundation model, that can produce synthetic digital content.

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.

EFFECTIVE DATE: July 1, 2026

§ 26 — LAYOFF NOTICES

Requires each employer that serves notice before plant closings and mass layoffs to disclose whether the layoffs are related to the employer's use of AI or another technological change

Under the bill, each employer that serves written notice on the state labor department under the federal law requiring notice before plant closings and mass layoffs (29 U.S.C. § 2102(a)) must disclose to the department whether the layoffs are related to the employer's use of AI or another technological change.

EFFECTIVE DATE: October 1, 2026

§ 27 — TEACHER CERTIFICATION PREPARATION PROGRAM

Specifically allows teacher certification preparation programs to include instruction on responsible use of emerging technologies

Existing law requires teacher certification preparation programs to include computer science instruction as part of the curriculum. The bill specifies this may include instruction in topics such as the responsible use of emerging technologies.

EFFECTIVE DATE: July 1, 2026

§ 28 — ECONOMIC DEVELOPMENT STRATEGIC PLAN

Requires the DECD commissioner, for strategic plans developed on or after July 1, 2026, to consult CASE and consider plans to foster innovation in areas such as advanced manufacturing, AI, and quantum computing; requires the strategic plans to include a strategic technology plan

Existing law requires the DECD commissioner to prepare an economic development strategic plan for the state every four years after consulting with various state entities and quasi-public organizations. In developing the plan, the commissioner must consult certain entities and stakeholders, consider certain plans, and include certain analyses or reviews of specific topics.

The bill requires the commissioner, for strategic plans developed on or after July 1, 2026, to consult with CASE and consider plans to foster innovation in advanced manufacturing, AI, quantum computing, robotics, and other emerging technologies. It also requires the plan to include a strategic technology plan for similar purposes and have an analysis of how the strategic technology plan will promote economic growth and development in the state.

EFFECTIVE DATE: Upon passage

§ 29 — STUDY ON AI IMPACT ON STATE WORKFORCE

Requires IMRP to conduct a study to understand and track AI's impact on the state's workforce, and develop a comprehensive strategy to address it

The bill requires UConn's Institute for Municipal and Regional Policy (IMRP) to conduct a study to understand and track AI's impact on the state's workforce and develop a comprehensive strategy to address the impact. The study must:

1. involve research partners with expertise in AI, economics, workforce development, and related fields;

2. assess (a) available methods to track AI-associated layoffs and job displacements, (b) AI's impact on entry-level employment and women and underrepresented populations in the state's workforce, and (c) the data elements DOL and other relevant state agencies collect that may be used to understand and track AI's impact on the state's workforce; and

3. include scenario planning across a range of potential AI adoption and impact levels.

The comprehensive strategy must include recommendations on:

1. ways the state can (a) support the collection, analysis, and dissemination of data needed to understand and track AI's impact on the state's workforce and (b) track AI-associated layoffs and job displacements;
2. additional data elements for DOL and other relevant state agencies to collect to understand and track the AI's impact on the state's workforce;
3. a framework for recurring analyses to understand, track, and public report on AI's impact on the state's workforce; and
4. changes in state policies and programs (such as workforce training and reskilling programs) to mitigate adverse AI-associated employment impacts in the state.

The bill requires state agencies to cooperate with IMRP when it is conducting the study and developing the strategy. IMRP must submit the study's results and the comprehensive strategy to the General Law Committee by January 1, 2027.

EFFECTIVE DATE: Upon passage

§ 31 — PROGRAM TO BOLSTER AI COOPERATION

Requires OHE, within existing appropriations, to coordinate with an alliance of higher education institutions to coordinate the development and implementation of a program to bolster AI cooperation within the state

By January 1, 2027, the bill requires the Office of Higher Education (OHE), within existing appropriations, to engage an alliance representing the majority of Connecticut's public and private higher education institutions to coordinate research, workforce development, and industry partnerships across academic institutions. The purpose is to develop and implement a program to bolster AI cooperation by:

1. convening an annual research symposium to present and highlight AI research in the state;

2. convening quarterly meetings of academic, industry, and public institutions to identify the state's workforce, skill, and programmatic needs related to AI;

3. implementing a talent-matching program that (a) matches students with industry-led projects in the AI field, including projects focused on state and municipal AI use, and (b) implements an AI talent pipeline;

4. (a) holding an annual competition that is open to the public (including students) that requires participants to use AI to help solve challenges state agencies identify, and (b) within 60 days after the competition, preparing a report disclosing potential solutions to, and best practices to address, the challenges and submitting the report to the DECD commissioner and the General Law Committee;

5. fostering connections between technology transfer programs at Connecticut public and private higher education institutions; and

6. creating a plan to give researchers and students shared access to high-performance computing.

EFFECTIVE DATE: July 1, 2026

§ 32 — AI COMPETITION TO FOSTER HEALTH

In FY 27, allows the comptroller, within available appropriations, to serve as a member of the steering committee for a competition to foster AI use to improve health equity and health outcomes

The bill allows the comptroller to serve as a member of the steering committee for a competition in FY 27 to foster AI use to improve health equity and health outcomes in the state. He must do so within available appropriations and in collaboration with Connecticut Innovations, Inc., a Connecticut health care innovation center, and other relevant stakeholders.

As part of the competition, the comptroller may, after consulting all relevant stakeholders, make relevant data available to competition participants so that they may develop AI models to improve patient outcomes while reducing costs.

The bill requires the comptroller to make the relevant data available to the competitors in compliance with (1) all applicable federal and state laws and regulations, including the Health insurance Portability and Accountability Act of 1996 (P.L. 104-191) (HIPAA) and its regulations, and (2) all applicable standards for de-identifying data. To receive this data, competitors must enter into a written agreement with the comptroller. The agreement must at least :

1. prohibit attempting to reidentify the data made available to the competitor, including any personally identifiable information included in the data;

2. require the competitor to use the data exclusively for the competition and as expressly authorized by the comptroller; and

3. prohibit the competitor from selling, transferring, or licensing the data.

EFFECTIVE DATE: Upon passage

§ 33 — INDEPENDENT VERIFICATION PILOT PROGRAM

Requires DCP to develop and administer a pilot program to evaluate the use of an independent verification program administered by third parties to ensure compliance with state laws on AI and data privacy; allows DCP to approve up to five entities for the pilot program; requires IMRP to evaluate, report, and make recommendations related to the program

The bill requires the Department of Consumer Protection (DCP) to develop and administer a pilot program to evaluate the use of independent, third-party verification programs for assessing whether AI models adhere to standards reflecting best practices for preventing personal injury, property damage, data privacy harms, and other harms. The pilot program ends June 30, 2030.

EFFECTIVE DATE: July 1, 2027

Application

Under the bill, an independent third-party entity seeking to participate in the pilot program as an independent verification organization must apply to the DCP commissioner in a way he prescribes. Each application must include which risks the applicant intends to evaluate to verify that AI models' mitigation measures are sufficient to achieve acceptable levels of risk. For each risk, the application also must include the following information:

1. a proposed definition of the acceptable levels of risk;

2. measurable metrics that can be used to determine if the acceptable level the applicant defined produces beneficial outcomes;

3. target levels for the metrics, including the data sources the target levels are based on and methods for measurement; and

4. the evaluation and reporting protocol that will be used to determine whether verified AI models meet the outcome metrics on an ongoing basis (such as a description of how the applicant's methodologies, metrics, benchmarks, and verification processes align with relevant guidance, standards, and frameworks developed by federal and state authorities like the National Institute of Standards and Technology, and international organizations, such as the International Organization for Standardization or the Institute of Electrical and Electronics Engineers).

The application must also include the following information about the applicant:

1. a detailed explanation of the applicant's evaluation and verification process for the program, including how it determines whether a program participant is using industry best practices;

2. the applicant's (a) technical, governance, and audit methodologies for the program; (b) ongoing monitoring,

reassessment, and remediation procedures for the program, (including it corrective action procedures for the program); (c) policies to ensure independence and transparency and to avoid conflicts of interest; and (d) governance structure;

3. the qualifications of the applicant's personnel who are involved in the independent verification program; and

4. any additional information the commissioner requires.

Memorandum of Understanding

Under the bill, the commissioner may approve up to five entities for the pilot program, and he must enter into a memorandum of understanding (MOU) with each one. The MOU must:

1. define the scope of the independent verification organization's program and the specific harms or risks to be prevented or mitigated through the program;

2. establish (a) minimum verification and auditing standards for individuals seeking verification from the program for AI models and (b) procedures for verification suspension or revocation for individuals participating in the program;

3. require the organization to share data with, and submit an annual report to, the attorney general, in a way he prescribes;

4. require each person participating in the program to do so in a way that is transparent to the public; and

5. require the organization to establish procedures for reassessment and, if needed, suspending verification when a program participant makes a material change to a verified AI model, including a material change to the training data, deployment context, or intended use of the verified AI model.

Evidence of Verification or Good Standing

Under the bill, evidence of verification or good standing that an independent verification organization provides is admissible only in a

civil action by a private party bringing claims for personal injury or property damage caused by an AI model, and only to the extent the action relates to a specific harm or risk within the verification's state-approved scope. But this evidence is not admissible if the person:

1. acted in a willful, wanton, or reckless manner;
2. materially misrepresented information to the organization; or
3. failed to implement any corrective action the organization required as part of the program.

The bill also specifies that evidence of verification or good standing provided by an independent verification organization (1) is not admissible in any civil or administrative enforcement action brought by the attorney general or any state agency and (2) does not give rise to any presumption, inference, or defense in any of these actions.

The bill allows the commissioner to suspend or revoke an independent verification organization's approval if he determines that:

1. the organization's verification process is ineffective or misleading (including because the organization failed to verify against the metrics, target levels, or specific harms or risk within the program's scope);
2. the organization failed to follow its MOU;
3. the organization is not an independent third-party entity;
4. a verified AI model has caused the type of harm or risk the program supposedly prevents, mitigates, or assesses, and the harm or risk reflects a material deficiency in the program's methodologies, standards, or verification processes; or
5. continued participation would not be in the public interest.

Evaluation and Report

The bill requires DCP, by December 31, 2028, and in consultation with

IMRP, to evaluate the pilot program and recommend legislation based on the evaluation to modify or extend the program. The evaluation must assess the pilot program's performance and impact, including the extent it advanced its purpose. It must specifically include (1) a landscape analysis of other states' legislation, laws, and executive actions that similarly seek to recognize independent third-party entities to verify the safety of AI and (2) recommended legislation to establish reciprocity between Connecticut and other states, where appropriate and advantageous. IMRP must develop appropriate evaluation criteria and methodologies, which may cover:

1. the program's structure, requirements, and implementation;
2. whether the pilot program effectively met its goals, including its target harm mitigation or prevention levels, the program's metrics, and metric's target levels;
3. the extent of industry participation in the pilot program;
4. the program's impact on innovation and economic growth;
5. the verification standard's effectiveness for participating in the pilot program; and
6. whether the pilot program should be continued, expanded, modified, or established as a permanent program, and, if so, (a) which state agency should administer the program and (b) what information should be reported to the state agency to ensure that the program is effective.

By January 31, 2029, IMRP must submit a report to the General Law Committee with the evaluation results.

§ 34 — COMPUTER SCIENCE IN PUBLIC SCHOOL CURRICULUM

Adds computer science to the state's required program of instruction for public schools and requires that it cover AI and emerging technologies

Beginning in the 2026-27 school year, the bill adds computer science to the state's required program of instruction for public schools and specifies that computer science instruction must cover AI and emerging

technologies. Existing law already requires public schools to provide instruction in computer programming.

EFFECTIVE DATE: July 1, 2026

§ 35 — ATTORNEY GENERAL TECHNOLOGY FELLOWSHIP PILOT

Requires the attorney general, within available appropriations, to partner with a nonprofit organization to develop and administer a technology fellowship pilot program

The bill requires the attorney general, within available appropriations, to partner with a nonprofit organization to develop and administer a technology fellowship pilot program. As part of the program, and in consultation with the nonprofit, he must appoint a technology fellow. The fellow must (1) assist the attorney general's office in gaining technical knowledge on AI, cybersecurity, and data privacy and (2) give advice to the office in developing proposed legislation and related material to assist the office with its educational and enforcement efforts. The pilot program ends on June 30, 2029.

EFFECTIVE DATE: Upon passage

§ 36 — HIGH VALUE DATA ANALYSIS FOR AI USE

Requires the state's chief data officer to review executive branch agencies' inventory of high value data and identify and publish any that could be useful for AI systems, machine learning, and other statistical means of data analysis

By January 1, 2028, the bill requires the chief data officer, in consultation with executive branch agency data officers, to review the inventory of all high value data that these agencies have or collect under existing law. Under existing law, "high value data" is any data that the department head determines:

1. can increase an agency's accountability and responsiveness, improve public knowledge about an agency and its operations, further its core mission, or create economic opportunity;

2. is critical to the agency's operation or used to satisfy any legislative or other reporting requirements; or

3. is frequently requested by the public or responds to a need and demand identified through public consultation.

Under the bill, the chief data officer must identify and publish any of this data that could be useful for AI systems, machine learning, and other statistical means of data analysis. He must do so to create economic opportunity and support state economic development goals, through private businesses, nonprofit organizations, and other entities that will use the data, consistent with applicable laws and regulations.

In reviewing the data, the chief data officer and agency data officers must:

1. identify appropriate data to make available for use by AI systems, machine learning, and other statistical means of data analysis;
2. develop policies and procedures for data quality and governance to ensure data are appropriate for the intended purpose and do not lead to any unlawful discrimination against any person or group of people, or disparate impact on any individual or group, based on any actual or perceived differentiating characteristic (such as age, race, disability);
3. determine any aggregation, redaction of individually identifiable information, or other techniques needed to ensure and preserve privacy and to satisfy all applicable state or federal laws and regulations for publicly disclosing data; and
4. determine the procedures for agencies to publish their data on the online repository that the Office of Policy and Management (OPM) operates and maintains under existing law.

EFFECTIVE DATE: July 1, 2027

§ 37 — ANNUAL INVENTORY OF STATE AGENCY AI SYSTEMS

Expands the information that must be included in the annual inventory of state agency AI systems

By law, DAS must annually inventory all executive branch state agency systems that use AI. The inventory must include, among other things, whether the system (1) was used to independently make, inform,

or materially support a conclusion, decision, or judgment and (2) had an impact assessment before its implementation.

Starting with the inventory due by the end of 2026, the bill expands the required information to also include, to the extent practicable based on available data:

1. the date of the last impact assessment;

2. whether the system has access to personally identifiable information of people in the state; and

3. the system's known risks toward individuals in the state, communities, and state employees.

The bill also requires DAS to establish definitions, reporting standards, and submission formats for state agencies to use for their submissions.

§ 38 — STATE AGENCY USE OF AI

Generally prohibits state agencies from using AI to perform certain functions or procuring or acquiring an AI system without complying with OPM and DAS standards; requires agencies to complete an AI impact assessment for authorized acquisitions

The bill prohibits any state agency, or any entity acting on its behalf, from directly or indirectly using or applying an AI technology to perform a function that (1) is related to the agency delivering a public assistance benefit to people in the state or (2) will have a material impact on the rights, civil liberties, safety, or welfare of people in the state, unless the use or application is in compliance with policies and standards established by OPM and DAS.

Under this provision, "AI technology" is a computer system, application, or other product that uses or incorporates one or more forms of AI but does not include any cybersecurity tool or data analytics tool or system where AI is incidental and not determinative. A "state agency" is any office, department, board, council, commission, institution, constituent unit of the state system of higher education, technical education and career school, or other agency in the executive, legislative, or judicial branch of state government.

The bill also prohibits state agencies from authorizing any procurement, purchase, or acquisition of any AI technology, unless its use complies with the OPM and DAS standard. Under the bill, if such an acquisition is authorized, the agency must complete an AI impact assessment that complies with policies and standards OPM and DAS establish. The AI impact assessment must be submitted to the DAS commissioner, in a form and way she sets, and posted on the DAS website at least 60 days before the AI technology is deployed. The agency may redact any data in the bias audit to remove anyone's personally identifiable information.

§ 39 — SOCIAL MEDIA PLATFORMS AND MINORS

Limits a minor's ability to access portions of a social media platform that uses a personalized algorithm, including verifying the user's age and limiting the times when notifications with any personalized suggestions may be sent; requires platform operators to give minors certain warnings related to mental health; requires operators to disclose certain information for the previous calendar year

The bill generally requires covered platform operators, before giving a user access to any portion of the platform that uses a personalized algorithm, to (1) verify a covered user's age and (2) if the user is a minor, receive permission from the minor's parent or legal guardian. It also sets certain conditions where age verification is not required (for example, for media that immediately follows another item in a preexisting sequence from the same author, creator, or poster).

Under the bill, covered operators must also give covered minors certain warnings related to mental health (1) when the minor signs on each day, (2) after three hours of use, and (3) after each subsequent hour.

The bill also limits covered operators to only sending a minor notifications with any personalized algorithmic suggestions between 8:00 a.m. and 9:00 p.m. Eastern Time, unless a parent or legal guardian consents to the notifications at other times. It also generally requires operators to make the platform's default setting, among others, one that limits the minor's access to any portion of the platform that uses a personalized algorithm to one hour per day.

Under the bill, covered operators must also annually disclose certain

information for the previous calendar year. This includes providing certain statistics about users, including the number that obtained parental or guardian consent and used the default setting, as well as the average amount of time users spent on the platform.

The bill makes a violation of its provisions a CUTPA violation.

EFFECTIVE DATE: January 1, 2028

Definitions

Under the bill, a "covered user" is any covered platform user in Connecticut who is not acting as the covered platform operator, or the operator's agent or affiliate. A "covered minor" is a covered user under age 18.

A "platform" is any Internet website, online service, online application, mobile application, or social media platform, or any part of them.

A "social media platform" is a public or semi-public Internet-based service or application that:

1. is used by a consumer in Connecticut;
2. is primarily intended to connect and allow users to socially interact within the service or application; and
3. enables a user to (a) create a public or semi-public profile for signing into and using the service or application; (b) populate a public list of other users with whom the user shares a social connection within the service or application; and (c) create or post content that other users can view, including on message boards, in chat rooms, or through a landing page or main feed that shows the user content generated by other users.

A social media platform is not a public or semi-public Internet-based service or application that:

1. exclusively provides e-mail or direct messaging services;

2. primarily consists of news, sports, entertainment, interactive video games, electronic commerce, or content preselected by the provider, or for which any chat, comments, or interactive functionality is incidental to, directly related to, or dependent on providing the content; or

3. is used by and under an educational entity's direction, including a learning management system or a student engagement program.

A "covered platform" is any platform that, as a significant part of the services offered by that portion, offers, recommends, selects, or prioritizes (uses an algorithm) displaying certain media items based on information associated with the user or his or her device (personalized). These media items are those generated or shared by platform users for display either concurrently or sequentially. A covered platform does not include any platform that primarily facilitates the sales of goods or is used solely for educational purposes under a contract required by law between a board of education and a contractor if sharing student data with the contractor.

A "covered operator" is any operator (an individual or legal entity) who operates or provides a covered platform, but does not include the federal government, any state or municipal government, or any of their agencies or instrumentalities.

Age Verification

The bill generally requires covered platform operators to verify a covered user's age before giving the user access to any portion of the platform that uses a personalized algorithm. It requires the covered operator to use age verification that is commercially reasonable and technically feasible. If the covered user is a covered minor, then the operator must obtain verifiable consent from the minor's parent or legal guardian to use the personalized algorithm.

If a covered operator has used commercially reasonable and technically feasible methods to verify a user's age and is unable to

determine if a user is a minor, the operator may presume the user is not a minor under the bill's provisions. But the operator must treat a user as a minor if it obtains actual knowledge that the user is a minor.

Data Retention

Unless any collected information is needed to comply with a federal or state law or regulation, the bill prohibits information collected for age-verification from being used for any other purpose and requires it to be deleted immediately after an attempt to verify the user's age. It similarly prohibits information collected for obtaining verifiable consent from a minor's parent or legal guardian from being used for any other purpose and requires it to be deleted immediately after an attempt to obtain the consent.

Conditions When Age Verification is Not Required

Under the bill, age verification is not required if the personalized algorithm is:

1. based on information that is not persistently associated with the covered user or his or her device, and does not concern the user's previous interactions with media items generated or shared by other platform users;

2. based on (a) privacy or accessibility settings the covered user selects or (b) technical information concerning the covered user's device; or

3. needed to comply with another provision in the bill.

Additionally, age verification is not required if the media item based on a personalized algorithm is:

1. a direct and private communication;

2. solely in response to a specific search inquiry the covered user made; or

3. displayed solely because it immediately follows another item in a preexisting sequence and is from the same author, creator,

poster, or source.

Personalized algorithms can also be used if a covered user expressly and unambiguously requests that certain media he or she subscribes to be displayed, blocked, prioritized, or deprioritized. This includes any specific media items, including items the user subscribes to such as from an author, creator, or poster, or source to them, or those shared by users to pages or groups.

Quality Reduction or Price Increase Prohibition

The bill prohibits covered operators from withholding, degrading, reducing the quality, or increasing the price of any product, service, or feature due to the bill's personalized algorithm restrictions, unless it is needed for the operator to comply with the bill's provisions.

Content Restrictions

The bill specifies that it does not prohibit a covered operator from restricting access to, or the availability of, any media item that the operator in good faith considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, regardless of whether the item is constitutionally protected.

Disclosure Warning

The bill generally requires covered operators to ensure that the platform displays a clear and conspicuous warning in black lettering against a white background enclosed by a black border. This requirement does not apply when the operator reasonably determines the covered user is not a covered minor.

The warning must read:

"The Surgeon General has warned that while social media may have benefits for some young users, social media is associated with significant mental health harms and has not been proven safe for young users."

The bill requires operators to ensure that the required warning is displayed to a covered user (1) when he or she first accesses the platform

each day and (2) immediately after the user has used the platform for three continuous or noncontinuous hours during the day, and immediately after each hour of use during the day, regardless of whether it is continuous or not.

For the first time a user accesses the platform, the warning must occupy at least 75% of the screen or window and be shown continuously for at least 30 seconds without the option of dismissing or shortening the display period. The subsequent warnings must cover at least 25% of the screen or window and be displayed for at least 10 seconds, but the user may affirmatively dismiss the warning by clicking on a conspicuous “X” icon.

Notifications

The bill prohibits covered operators from sending any notification to a covered minor with any personalized algorithmic suggestion unless (1) it is sent between 8:00 a.m. and 9:00 p.m. Eastern Time or (2) the operator has verifiable consent from the covered minor’s parent or legal guardian to send notifications outside this timeframe.

Default Settings

The bill requires each covered operator to make the platform’s default setting, unless allowed by the covered minor’s parent or legal guardian (see below), one that:

1. prevents the minor from accessing or receiving any notification with any personalized algorithmic suggestion outside of the allowable time frame;

2. limits the minor’s access to any portion of the platform that uses a personalized algorithm to one hour per day;

3. sets the minor’s platform account to a mode that does not allow users other than users connected to the minor to (a) view or respond to content the minor posts or (b) chat or exchange messages with them; and

4. prevents the covered minor from accessing, viewing, or receiving

sensitive content.

Under the bill, "sensitive content" is content the covered operator deems a violation of the community standards, or a similar guideline or standard the operator established for the platform.

The covered operator must also establish and maintain a mechanism that a minor's verified parent or legal guardian can use for alternative settings to (1) set a different timeframe for accessing or receiving these notifications or using the platform and (2) enable the restricted mode described above.

Public Disclosure

The bill requires each covered operator, starting by March 1, 2028, to annually disclose certain information for the previous calendar year in an attorney general-prescribed form and manner. This public disclosure includes the:

1. total number of platform users during the year;
2. portion of the total number of covered users (a) for whom the operator obtained verifiable consent from a parent or legal guardian, (b) that had the default settings enabled, and (c) that did not have the default settings enabled; and
3. the average amount of time per day that covered users used the platform, broken down by user age and hour of day.

Applicability

The bill specifies that it does not:

1. require a covered operator to give a covered minor's parent or legal guardian access to, or control over, the minor's platform account or any data associated with it, unless the access or control is specifically required by the bill, or
2. impose liability for any commercial activity or action by an operator subject to the federal Children's Online Privacy Protection Act (COPPA) that is inconsistent with how COPPA

treats commercial activity or action (15 U.S.C. § 6501).

BACKGROUND

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the Department of Consumer Protection commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than $10,000, impose civil penalties of up to $5,000, 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 4 (File 285), §§ 13 & 14, favorably reported by the Appropriations, General Law, and Judiciary committees, gives consumers the right to be informed whether a profiling decision used personal data from a third party in processing an employment denial and to correct any inaccuracies.

sSB 86 (File 339), favorably reported by the General Law Committee, has an identical provision on AI inventories and similar provisions on a regulatory sandbox and AI companion chatbots.

SB 417 (File 499), favorably reported by the Commerce Committee, requires DECD to develop a plan to establish an AI small business program to, among other things, incentivize small businesses to adopt and deploy AI to achieve improvements in productivity and quality of products and services.

sSB 435 (File 365), favorably reported by the Labor and Public Employees Committee, sets limitations and requirements for using an automated employment-related decision process and has similar

provisions on the required AI inventory. It also makes various changes related to AI, including making the use of AI a subject of collective bargaining for public sector employees.

sHB 5037 (File 179), favorably reported by the General Law Committee, has an identical social media platform and minor provision.

sHB 5497 (File 433), favorably reported by the Labor and Public Employees Committee, establishes a task force to study the effects of AI on the trades industry, such as in job displacement and the Technical and Education Career System's AI coursework and curriculum.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute
Yea 21 Nay 0 (03/16/2026)

Judiciary Committee

Joint Favorable
Yea 33 Nay 7 (04/10/2026)

Appropriations Committee

Joint Favorable
Yea 41 Nay 12 (04/17/2026)