



Senate

General Assembly

File No. 603

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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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

128 (16) "Trade secret" has the same meaning as provided in section 35-
129 51 of the general statutes.

130 Sec. 2. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1,
131 2026, a developer of a high-risk artificial intelligence system shall use
132 reasonable care to protect consumers from any known or reasonably
133 foreseeable risks of algorithmic discrimination arising from the
134 intended and contracted uses of the high-risk artificial intelligence
135 system. In any enforcement action brought on or after said date by the
136 Attorney General pursuant to section 10 of this act, there shall be a
137 rebuttable presumption that a developer used reasonable care as
138 required under this subsection if the developer complied with the
139 provisions of this section or, if the developer enters into a contract with
140 an integrator as set forth in subsection (b) of section 3 of this act, the
141 developer and integrator complied with the provisions of this section
142 and section 3 of this act.

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

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

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

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

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

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

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

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

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

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

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

212 subdivision (1) of this subsection.

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

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

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

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

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

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

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

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

269 Sec. 3. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1,
270 2026, if an integrator integrates a high-risk artificial intelligence system
271 into a product or service the integrator offers to any other person, such
272 integrator shall use reasonable care to protect consumers from any
273 known or reasonably foreseeable risks of algorithmic discrimination
274 arising from the intended and contracted uses of such integrated high-
275 risk artificial intelligence system. In any enforcement action brought on
276 or after said date by the Attorney General pursuant to section 10 of this

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

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

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

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

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

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

307 (2) Each integrator shall update the statement made available

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

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

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

339 Sec. 4. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1,
340 2026, each deployer of a high-risk artificial intelligence system shall use

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

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

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

373 (B) The size and complexity of the deployer;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

502 (A) Directly to the consumer;

503 (B) In plain language;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

592 2026, each developer of a general-purpose artificial intelligence model
593 that is capable of being used by a high-risk artificial intelligence system
594 shall, to the extent feasible and except as provided in subsection (b) of
595 this section, make available to:

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

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

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

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

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

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

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

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

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

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

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

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

667 Sec. 6. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1,
668 2026, and except as provided in subsection (b) of this section, each
669 person doing business in this state, including, but not limited to, each
670 deployer that deploys, offers, sells, leases, licenses, gives or otherwise
671 makes available, as applicable, any artificial intelligence system that is
672 intended to interact with consumers shall ensure that it is disclosed to
673 each consumer who interacts with such artificial intelligence system that
674 such consumer is interacting with an artificial intelligence system.

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

679 Sec. 7. (NEW) (*Effective October 1, 2025*) (a) Beginning on October 1,
680 2026, and except as provided in subsections (b) and (c) of this section,
681 the developer of an artificial intelligence system, including, but not
682 limited to, a general-purpose artificial intelligence model, that is capable
683 of generating synthetic digital content shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

735 (7) Engage in public or peer-reviewed scientific or statistical research
736 in the public interest that (A) adheres to all other applicable ethics and
737 privacy laws, and (B) is conducted in accordance with (i) 45 CFR Part
738 46, as amended from time to time, or (ii) relevant requirements
739 established by the federal Food and Drug Administration;

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

745 (9) Effectuate a product recall;

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

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

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

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

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

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

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

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

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

801 (5) Who is an active participant in the artificial intelligence regulatory
802 sandbox program designed, established and administered under section
803 12 of this act, and is engaged in activities within the scope of such
804 program in accordance with the provisions of section 12 of this act.

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

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

821 (g) (1) Any bank, out-of-state bank, Connecticut credit union, federal
822 credit union, mortgage lender or out-of-state credit union, or any
823 affiliate, subsidiary or service provider thereof, shall be deemed to be in
824 full compliance with the provisions of sections 1 to 10, inclusive, of this
825 act if such bank, out-of-state bank, Connecticut credit union, federal
826 credit union, mortgage lender, out-of-state credit union, affiliate,
827 subsidiary or service provider is subject to examination by any state or
828 federal prudential regulator under any published guidance or
829 regulations that apply to the use of high-risk artificial intelligence
830 systems and such guidance or regulations (A) impose requirements that
831 are substantially equivalent to, and at least as stringent as, the
832 requirements set forth in sections 1 to 10, inclusive, of this act, and (B) at
833 a minimum, require such bank, out-of-state bank, Connecticut credit
834 union, federal credit union, mortgage lender, out-of-state credit union,
835 affiliate, subsidiary or service provider to (i) regularly audit such bank's,
836 out-of-state bank's, Connecticut credit union's, federal credit union's,
837 mortgage lender's, out-of-state credit union's, affiliate's, subsidiary's or
838 service provider's use of high-risk artificial intelligence systems for
839 compliance with state and federal anti-discrimination laws and
840 regulations applicable to such bank, out-of-state bank, Connecticut
841 credit union, federal credit union, mortgage lender, out-of-state credit
842 union, affiliate, subsidiary or service provider, and (ii) mitigate any
843 algorithmic discrimination caused by the use of a high-risk artificial
844 intelligence system or any risk of algorithmic discrimination that is
845 reasonably foreseeable as a result of the use of a high-risk artificial
846 intelligence system.

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

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

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

872 Sec. 10. (NEW) (*Effective October 1, 2025*) (a) The Attorney General
873 shall have exclusive authority to enforce the provisions of sections 1 to
874 9, inclusive, of this act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1000 (5) "Developer" has the same meaning as provided in section 1 of this
1001 act;

1002 (6) "Person" has the same meaning as provided in section 1 of this act;

1003 and

1004 (7) "State agency" has the same meaning as provided in section 1-79
1005 of the general statutes.

1006 (b) The Department of Economic and Community Development, in
1007 coordination with the Chief Data Officer and the Connecticut
1008 Technology Advisory Board established under section 16 of this act,
1009 shall design, establish and administer an artificial intelligence
1010 regulatory sandbox program to facilitate the development, testing and
1011 deployment of innovative artificial intelligence systems in the state. The
1012 program shall be designed to (1) promote the safe and innovative use of
1013 artificial intelligence systems across various sectors, including, but not
1014 limited to, education, finance, health care and public service, (2)
1015 encourage the responsible deployment of artificial intelligence systems
1016 while balancing the need for consumer protection, privacy and public
1017 safety, and (3) provide clear guidelines for developers to test artificial
1018 intelligence systems while being exempt from certain regulatory
1019 requirements during the period set forth in subsection (d) of this section.

1020 (c) (1) A person seeking to participate in the artificial intelligence
1021 regulatory sandbox program shall submit an application to the
1022 Department of Economic and Community Development in a form and
1023 manner prescribed by the Commissioner of Economic and Community
1024 Development. Each application shall include (A) a detailed description
1025 of the applicant's artificial intelligence system and its intended uses, (B)
1026 a risk assessment that addresses the potential impact of the applicant's
1027 artificial intelligence system on consumers, privacy and public safety,
1028 (C) a plan for mitigating any adverse consequences that may arise from
1029 the applicant's artificial intelligence system during the period set forth
1030 in subsection (d) of this section, (D) proof that the applicant and the
1031 applicant's artificial intelligence system are in compliance with all
1032 applicable federal laws and regulations concerning artificial intelligence
1033 systems, and (E) any other information the commissioner deems
1034 relevant for the purposes of this section or the program.

1035 (2) Not later than thirty days after the Department of Economic and

1036 Community Development receives an application submitted pursuant
1037 to subdivision (1) of this subsection, the department shall (A) approve
1038 or deny the application, and (B) send a notice to the applicant, in a form
1039 and manner prescribed by the Commissioner of Economic and
1040 Community Development, disclosing whether the department has
1041 approved or denied such application.

1042 (d) An active participant in the artificial intelligence regulatory
1043 sandbox program may test the applicant's artificial intelligence system
1044 as part of the program for a period not to exceed eighteen months from
1045 the date on which the Department of Economic and Community
1046 Development sent notice approving the active participant's application
1047 pursuant to subparagraph (B) of subdivision (2) of subsection (c) of this
1048 section, except the department may extend such period for good cause
1049 shown.

1050 (e) The Department of Economic and Community Development shall
1051 coordinate with all relevant state agencies to oversee the operations of
1052 active participants in the artificial intelligence regulatory sandbox
1053 program. Any state agency may recommend to the department that an
1054 active participant's participation in the program be revoked if the active
1055 participant's artificial intelligence system (1) poses an undue risk to the
1056 public health, safety or welfare, or (2) violates any federal law or
1057 regulation.

1058 (f) For the calendar quarter ending December 31, 2025, and for each
1059 calendar quarter thereafter, each active participant in the artificial
1060 intelligence regulatory sandbox program shall, not later than thirty days
1061 after the end of such calendar quarter, submit a report to the
1062 Department of Economic and Community Development disclosing (1)
1063 system performance metrics for such active participant's artificial
1064 intelligence system, (2) information concerning the manner in which
1065 such active participant's artificial intelligence system mitigated any risks
1066 associated with such artificial intelligence system, and (3) any feedback
1067 such active participant received from deployers, consumers and other
1068 users of such artificial intelligence system.

1069 (g) For the calendar year ending December 31, 2025, and for each
1070 calendar year thereafter, the Department of Economic and Community
1071 Development shall, not later than thirty days after the end of such
1072 calendar year, submit a report, in accordance with the provisions of
1073 section 11-4a of the general statutes, to the joint standing committee of
1074 the General Assembly having cognizance of matters relating to
1075 consumer protection. Each report shall disclose (1) the number of
1076 persons who were active participants in the artificial intelligence
1077 regulatory sandbox program for the calendar year that is the subject of
1078 such report or any portion of such calendar year, (2) the overall
1079 performance and impact of artificial intelligence systems tested as part
1080 of the program, and (3) any recommendations regarding the adoption
1081 of legislation for the purposes of the program.

1082 Sec. 13. (NEW) (*Effective July 1, 2025*) (a) As used in this section,
1083 "artificial intelligence" means artificial intelligence system, as defined in
1084 section 1 of this act.

1085 (b) Not later than December 31, 2025, the Board of Regents for Higher
1086 Education shall establish, on behalf of Charter Oak State College and in
1087 consultation with the Labor Department, the State Board of Education,
1088 Workforce Investment Boards, employers and institutions of higher
1089 education in this state, a "Connecticut AI Academy". The academy shall,
1090 at a minimum:

1091 (1) Curate and offer online courses concerning artificial intelligence
1092 and the responsible use of artificial intelligence;

1093 (2) Promote digital literacy;

1094 (3) Prepare students for careers in fields involving artificial
1095 intelligence;

1096 (4) Offer courses directed at individuals between thirteen and twenty
1097 years of age;

1098 (5) Offer courses that prepare small businesses and nonprofit
1099 organizations to utilize artificial intelligence to improve marketing and

1100 management efficiency;

1101 (6) Develop courses concerning artificial intelligence that the Labor
1102 Department and Workforce Investment Boards may incorporate into
1103 workforce training programs; and

1104 (7) Enable persons providing free or discounted public Internet
1105 access to distribute information and provide mentorship concerning
1106 artificial intelligence, the academy and methods available for the public
1107 to obtain free or discounted devices capable of accessing the Internet
1108 and utilizing artificial intelligence.

1109 (c) The Board of Regents for Higher Education shall, in consultation
1110 with Charter Oak State College, develop certificates and badges to be
1111 awarded to persons who successfully complete courses offered by the
1112 Connecticut AI Academy.

1113 Sec. 14. (NEW) (*Effective July 1, 2025*) The Labor Department shall
1114 provide a notice, in a form and manner prescribed by the Labor
1115 Commissioner, to each individual who makes a claim for
1116 unemployment compensation disclosing the existence of, and courses
1117 and services offered by, the Connecticut AI Academy established
1118 pursuant to section 13 of this act.

1119 Sec. 15. Subsection (b) of section 17b-751b of the general statutes is
1120 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1121 *2025*):

1122 (b) The commissioner shall: (1) Ensure that all home visiting
1123 programs (A) are one or more of the evidence-based home visiting
1124 models that meet the criteria for evidence of effectiveness developed by
1125 the federal Department of Health and Human Services, and (B) provide
1126 information to parents regarding the Connecticut AI Academy
1127 established pursuant to section 13 of this act; (2) provide oversight of
1128 home visiting programs to insure model fidelity; and (3) develop, issue
1129 and evaluate requests for proposals to procure the services required by
1130 this section. In evaluating the proposals, the commissioner shall take

1131 into consideration the most effective and consistent service delivery
1132 system allowing for the continuation of current public and private
1133 programs.

1134 Sec. 16. (NEW) (*Effective July 1, 2025*) (a) As used in this section,
1135 "artificial intelligence" means artificial intelligence system, as defined in
1136 section 1 of this act.

1137 (b) There is established, within available appropriations, a
1138 Connecticut Technology Advisory Board, which shall be part of the
1139 Legislative Department.

1140 (c) (1) The board shall consist of the following members: (A) Two
1141 appointed by the speaker of the House of Representatives; (B) two
1142 appointed by the president pro tempore of the Senate; (C) two
1143 appointed by the minority leader of the House of Representatives; and
1144 (D) two appointed by the minority leader of the Senate. All appointed
1145 members shall have professional experience or academic qualifications
1146 in the field of artificial intelligence or the field of technology, or another
1147 related field, and no such member shall be a member of the General
1148 Assembly.

1149 (2) The following persons or their designees shall serve as ex-officio,
1150 nonvoting members and chairpersons of the board: (A) The
1151 Commissioner of Economic and Community Development; (B) the
1152 executive director of the Connecticut Academy of Science and
1153 Engineering; and (C) the president of Charter Oak State College.

1154 (3) All initial appointments to the board shall be made not later than
1155 October 1, 2025. The term of an appointed member shall be coterminous
1156 with the term of the appointing authority for the appointed member.
1157 Any vacancy shall be filled by the appointing authority. Any vacancy
1158 occurring other than by expiration of a term shall be filled for the
1159 balance of the unexpired term. A member of the board may serve more
1160 than one term. The chairpersons shall schedule the first meeting of the
1161 board, which shall be held not later than November 1, 2025.

1162 (d) The administrative staff of the joint standing committees of the
1163 General Assembly having cognizance of matters relating to consumer
1164 protection and government administration shall serve as administrative
1165 staff of the board.

1166 (e) The board shall have the following powers and duties: (1) To
1167 develop and adopt a state technology strategy (A) for the purpose of
1168 promoting education, workforce development, economic development
1169 and consumer protection, and (B) that accounts for the rapid pace of
1170 technological development, including, but not limited to, in the field of
1171 artificial intelligence; (2) to update the state technology strategy
1172 developed and adopted pursuant to subdivision (1) of this subsection at
1173 least once every two years; (3) to issue reports and recommendations in
1174 accordance with the provisions of section 11-4a of the general statutes;
1175 (4) upon the vote of a majority of the members of the board, to request
1176 any state agency data officer or state agency head to (A) appear before
1177 the board to answer questions, or (B) provide such assistance and data
1178 as may be necessary for the purpose of enabling the board to perform
1179 its duties; (5) to make recommendations to the Legislative Department,
1180 Executive Department or Judicial Department in accordance with the
1181 state technology strategy; and (6) to establish bylaws to govern the
1182 board's procedures.

1183 (f) The board shall meet at least twice annually and may meet at such
1184 other times as deemed necessary by the chairpersons or a majority of the
1185 members of the board.

1186 Sec. 17. (*Effective July 1, 2025*) (a) Not later than December 31, 2025,
1187 the Department of Economic and Community Development shall,
1188 within available appropriations and in collaboration with Charter Oak
1189 State College, develop a plan to establish a technology transfer program
1190 within Connecticut Innovations, Incorporated, for the purpose of
1191 supporting technology transfers by and among public and private
1192 institutions of higher education in this state.

1193 (b) Not later than January 1, 2026, the Commissioner of Economic and
1194 Community Development shall submit a report, in accordance with the

1195 provisions of section 11-4a of the general statutes, to the joint standing
1196 committees of the General Assembly having cognizance of matters
1197 relating to consumer protection, commerce and higher education. Such
1198 report shall, at a minimum, include the plan developed pursuant to
1199 subsection (a) of this section.

1200 Sec. 18. (NEW) (*Effective July 1, 2025*) (a) Not later than December 31,
1201 2025, the Department of Economic and Community Development shall,
1202 within available appropriations and in collaboration with the Office of
1203 Health Strategy, establish a confidential computing cluster for the
1204 purpose of fostering the exchange of health information in order to
1205 support academic and medical research.

1206 (b) (1) The confidential computing cluster established pursuant to
1207 subsection (a) of this section shall be overseen by a Connecticut
1208 Confidential Computing Cluster Policy Board, which shall be within the
1209 Department of Economic and Community Development for
1210 administrative purposes only. Said policy board shall consist of:

1211 (A) The chairperson of The University of Connecticut Health Center
1212 Board of Directors, or said chairperson's designee; and

1213 (B) A representative of the State-wide Health Information Exchange
1214 established pursuant to section 17b-59d of the general statutes, who
1215 shall be appointed by the Commissioner of Health Strategy.

1216 (2) The Connecticut Confidential Computing Cluster Policy Board
1217 shall direct the formulation of policies and operating procedures for the
1218 confidential computing cluster established pursuant to subsection (a) of
1219 this section.

1220 (3) The Connecticut Confidential Computing Cluster Policy Board
1221 may apply for and administer any federal, state, local or private
1222 appropriations or grant funds made available for the operation of the
1223 confidential computing cluster established pursuant to subsection (a) of
1224 this section.

1225 Sec. 19. Section 10-21l of the general statutes is repealed and the

1226 following is substituted in lieu thereof (*Effective July 1, 2025*):

1227 There is established an account to be known as the ["computer science
1228 education account"] "computer science education and workforce
1229 development account", which shall be a separate, nonlapsing account
1230 within the General Fund. The account shall contain any moneys
1231 required or permitted by law to be deposited in the account and any
1232 funds received from any public or private contributions, gifts, grants,
1233 donations, bequests or devises to the account. The Department of
1234 Education may make expenditures from the account (1) to support
1235 curriculum development, teacher professional development, capacity
1236 development for school districts [,] and other programs for the purposes
1237 of supporting computer science education, and (2) in coordination with
1238 the Office of Workforce Strategy and the Board of Regents for Higher
1239 Education for the purpose of supporting workforce development
1240 initiatives in accordance with the state technology strategy adopted
1241 pursuant to subsection (e) of section 16 of this act.

1242 Sec. 20. Section 32-7p of the general statutes is repealed and the
1243 following is substituted in lieu thereof (*Effective July 1, 2025*):

1244 (a) As used in this section:

1245 (1) "Artificial intelligence" means artificial intelligence system, as
1246 defined in section 1 of this act;

1247 (2) "Generative artificial intelligence" means any form of artificial
1248 intelligence, including, but not limited to, a foundation model, that is
1249 able to produce synthetic digital content, as defined in section 1 of this
1250 act; and

1251 (3) "Prompt engineering" means the process of guiding generative
1252 artificial intelligence to generate a desired output.

1253 [(a)] (b) There shall be a Technology Talent and Innovation Fund
1254 Advisory Committee within the Department of Economic and
1255 Community Development. Such committee shall consist of members
1256 appointed by the Commissioner of Economic and Community

1257 Development, including, but not limited to, representatives of The
1258 University of Connecticut, the Board of Regents for Higher Education,
1259 independent institutions of higher education, the Office of Workforce
1260 Strategy and private industry. Such members shall be subject to term
1261 limits prescribed by the commissioner. Each member shall hold office
1262 until a successor is appointed.

1263 [(b)] (c) The commissioner shall call the first meeting of the advisory
1264 committee not later than October 15, 2016. The advisory committee shall
1265 meet not less than quarterly thereafter and at such other times as the
1266 chairperson deems necessary. The Technology Talent and Innovation
1267 Fund Advisory Committee shall designate the chairperson of the
1268 committee from among its members.

1269 [(c)] (d) No member of the advisory committee shall receive
1270 compensation for such member's service, except that each member shall
1271 be entitled to reimbursement for actual and necessary expenses incurred
1272 during the performance of such member's official duties.

1273 [(d)] (e) A majority of members of the advisory committee shall
1274 constitute a quorum for the transaction of any business or the exercise
1275 of any power of the advisory committee. The advisory committee may
1276 act by a majority of the members present at any meeting at which a
1277 quorum is in attendance, for the transaction of any business or the
1278 exercise of any power of the advisory committee, except as otherwise
1279 provided in this section.

1280 [(e)] (f) Notwithstanding any provision of the general statutes, it shall
1281 not constitute a conflict of interest for a trustee, director, partner or
1282 officer of any person, firm or corporation, or any individual having a
1283 financial interest in a person, firm or corporation, to serve as a member
1284 of the advisory committee, provided such trustee, director, partner,
1285 officer or individual complies with all applicable provisions of chapter
1286 10. All members of the advisory committee shall be deemed public
1287 officials and shall adhere to the code of ethics for public officials set forth
1288 in chapter 10, except that no member shall be required to file a statement
1289 of financial interest as described in section 1-83.

1290 [(f) The Technology Talent Advisory Committee shall, in the
1291 following order of priority, (1) calculate the number of software
1292 developers and other persons (A) employed in technology-based fields
1293 where there is a shortage of qualified employees in this state for
1294 businesses to hire, including, but not limited to, data mining, data
1295 analysis and cybersecurity, and (B) employed by businesses located in
1296 Connecticut as of December 31, 2016; (2) develop pilot programs to
1297 recruit software developers to Connecticut and train residents of the
1298 state in software development and such other technology fields, with
1299 the goal of increasing the number of software developers and persons
1300 employed in such other technology fields residing in Connecticut and
1301 employed by businesses in Connecticut by at least double the number
1302 calculated pursuant to subdivision (1) of this subsection by January 1,
1303 2026; and (3) identify other technology industries where there is a
1304 shortage of qualified employees in this state for growth stage businesses
1305 to hire.]

1306 (g) The Technology Talent and Innovation Fund Advisory
1307 Committee may partner with institutions of higher education and other
1308 nonprofit organizations to develop [pilot] programs [for (1) marketing
1309 and publicity campaigns designed to recruit technology talent to the
1310 state; (2) student loan deferral or forgiveness for students who start
1311 businesses in the state; and (3) training, apprenticeship and gap-year
1312 initiatives] to expand the technology talent pipeline in the state,
1313 including, but not limited to, in the fields of artificial intelligence and
1314 quantum computing.

1315 [(h) The Technology Talent Advisory Committee shall report, in
1316 accordance with the provisions of section 11-4a, and present such report
1317 to the joint standing committees of the General Assembly having
1318 cognizance of matters relating to commerce, education, higher
1319 education and finance, revenue and bonding on or before January 1,
1320 2017, concerning the (1) pilot programs developed pursuant to
1321 subsections (f) and (g) of this section, (2) number of software developers
1322 and persons employed in technology-based fields described in
1323 subsection (f) of this section targeted for recruitment pursuant to

1324 subsection (f) of this section, and (3) timeline and measures for reaching
1325 the recruitment target.]

1326 (h) Not later than July 1, 2026, the Technology Talent and Innovation
1327 Fund Advisory Committee shall partner with public and private
1328 institutions of higher education in the state and other training providers
1329 to develop programs in the field of artificial intelligence, including, but
1330 not limited to, in areas such as prompt engineering, artificial intelligence
1331 marketing for small businesses and artificial intelligence for small
1332 business operations.

1333 Sec. 21. Subsection (b) of section 32-235 of the general statutes is
1334 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1335 *2025*):

1336 (b) The proceeds of the sale of said bonds, to the extent of the amount
1337 stated in subsection (a) of this section, shall be used by the Department
1338 of Economic and Community Development (1) for the purposes of
1339 sections 32-220 to 32-234, inclusive, including economic cluster-related
1340 programs and activities, and for the Connecticut job training finance
1341 demonstration program pursuant to sections 32-23uu and 32-23vv,
1342 provided (A) three million dollars shall be used by said department
1343 solely for the purposes of section 32-23uu, (B) not less than one million
1344 dollars shall be used for an educational technology grant to the
1345 deployment center program and the nonprofit business consortium
1346 deployment center approved pursuant to section 32-41l, (C) not less
1347 than two million dollars shall be used by said department for the
1348 establishment of a pilot program to make grants to businesses in
1349 designated areas of the state for construction, renovation or
1350 improvement of small manufacturing facilities, provided such grants
1351 are matched by the business, a municipality or another financing entity.
1352 The Commissioner of Economic and Community Development shall
1353 designate areas of the state where manufacturing is a substantial part of
1354 the local economy and shall make grants under such pilot program
1355 which are likely to produce a significant economic development benefit
1356 for the designated area, (D) five million dollars may be used by said

1357 department for the manufacturing competitiveness grants program, (E)
1358 one million dollars shall be used by said department for the purpose of
1359 a grant to the Connecticut Center for Advanced Technology, for the
1360 purposes of subdivision (5) of subsection (a) of section 32-7f, (F) fifty
1361 million dollars shall be used by said department for the purpose of
1362 grants to the United States Department of the Navy, the United States
1363 Department of Defense or eligible applicants for projects related to the
1364 enhancement of infrastructure for long-term, on-going naval operations
1365 at the United States Naval Submarine Base-New London, located in
1366 Groton, which will increase the military value of said base. Such projects
1367 shall not be subject to the provisions of sections 4a-60 and 4a-60a, (G)
1368 two million dollars shall be used by said department for the purpose of
1369 a grant to the Connecticut Center for Advanced Technology, Inc., for
1370 manufacturing initiatives, including aerospace and defense, and (H)
1371 four million dollars shall be used by said department for the purpose of
1372 a grant to companies adversely impacted by the construction at the
1373 Quinnipiac Bridge, where such grant may be used to offset the increase
1374 in costs of commercial overland transportation of goods or materials
1375 brought to the port of New Haven by ship or vessel, (2) for the purposes
1376 of the small business assistance program established pursuant to section
1377 32-9yy, provided fifteen million dollars shall be deposited in the small
1378 business assistance account established pursuant to said section 32-9yy,
1379 (3) to deposit twenty million dollars in the small business express
1380 assistance account established pursuant to section 32-7h, (4) to deposit
1381 four million nine hundred thousand dollars per year in each of the fiscal
1382 years ending June 30, 2017, to June 30, 2019, inclusive, and June 30, 2021,
1383 and nine million nine hundred thousand dollars in the fiscal year ending
1384 June 30, 2020, in the CTNext Fund established pursuant to section 32-
1385 39i, which shall be used by the Department of Economic and
1386 Community Development to provide grants-in-aid to designated
1387 innovation places, as defined in section 32-39f, planning grants-in-aid
1388 pursuant to section 32-39l, and grants-in-aid for projects that network
1389 innovation places pursuant to subsection (b) of section 32-39m,
1390 provided not more than three million dollars be used for grants-in-aid
1391 for such projects, and further provided any portion of any such deposit

1392 that remains unexpended in a fiscal year subsequent to the date of such
1393 deposit may be used by the Department of Economic and Community
1394 Development for any purpose described in subsection (e) of section 32-
1395 39i, (5) to deposit two million dollars per year in each of the fiscal years
1396 ending June 30, 2019, to June 30, 2021, inclusive, in the CTNext Fund
1397 established pursuant to section 32-39i, which shall be used by the
1398 Department of Economic and Community Development for the purpose
1399 of providing higher education entrepreneurship grants-in-aid pursuant
1400 to section 32-39g, provided any portion of any such deposit that remains
1401 unexpended in a fiscal year subsequent to the date of such deposit may
1402 be used by the Department of Economic and Community Development
1403 for any purpose described in subsection (e) of section 32-39i, (6) for the
1404 purpose of funding the costs of the Technology Talent and Innovation
1405 Fund Advisory Committee established pursuant to section 32-7p, as
1406 amended by this act, provided not more than ten million dollars may be
1407 used on or after July 1, 2023, for such purpose, (7) to provide (A) a grant-
1408 in-aid to the Connecticut Supplier Connection in an amount equal to
1409 two hundred fifty thousand dollars in each of the fiscal years ending
1410 June 30, 2017, to June 30, 2021, inclusive, and (B) a grant-in-aid to the
1411 Connecticut Procurement Technical Assistance Program in an amount
1412 equal to three hundred thousand dollars in each of the fiscal years
1413 ending June 30, 2017, to June 30, 2021, inclusive, (8) to deposit four
1414 hundred fifty thousand dollars per year, in each of the fiscal years
1415 ending June 30, 2017, to June 30, 2021, inclusive, in the CTNext Fund
1416 established pursuant to section 32-39i, which shall be used by the
1417 Department of Economic and Community Development to provide
1418 growth grants-in-aid pursuant to section 32-39g, provided any portion
1419 of any such deposit that remains unexpended in a fiscal year subsequent
1420 to the date of such deposit may be used by the Department of Economic
1421 and Community Development for any purpose described in subsection
1422 (e) of section 32-39i, (9) to transfer fifty million dollars to the Labor
1423 Department which shall be used by said department for the purpose of
1424 funding workforce pipeline programs selected pursuant to section 31-
1425 11rr, provided, notwithstanding the provisions of section 31-11rr, (A)
1426 not less than five million dollars shall be provided to the workforce

1427 development board in Bridgeport serving the southwest region, for
1428 purposes of such program, and the board shall distribute such money
1429 in proportion to population and need, and (B) not less than five million
1430 dollars shall be provided to the workforce development board in
1431 Hartford serving the north central region, for purposes of such program,
1432 (10) to transfer twenty million dollars to Connecticut Innovations,
1433 Incorporated, provided ten million dollars shall be used by Connecticut
1434 Innovations, Incorporated for the purpose of the proof of concept fund
1435 established pursuant to subsection (b) of section 32-39x and ten million
1436 dollars shall be used by Connecticut Innovations, Incorporated for the
1437 purpose of the venture capital fund program established pursuant to
1438 section 32-41oo, (11) to provide a grant to The University of Connecticut
1439 of eight million dollars for the establishment, development and
1440 operation of a center for sustainable aviation pursuant to subsection (a)
1441 of section 10a-110o, and (12) for up to twenty million dollars in
1442 investments in federally designated opportunity zones through an
1443 impact investment firm including, subject to the approval of the
1444 Governor, funding from the Economic Assistance Revolving Fund,
1445 established pursuant to section 32-231.

1446 Sec. 22. (*Effective July 1, 2025*) Not later than December 31, 2025, the
1447 Department of Economic and Community Development shall, within
1448 available appropriations, in partnership with public and private
1449 institutions of higher education in the state and in coordination with the
1450 artificial intelligence industry, conduct a "CT AI Symposium" to foster
1451 collaboration between academia, government and the artificial
1452 intelligence industry for the purpose of promoting the establishment
1453 and growth of artificial intelligence businesses in this state.

1454 Sec. 23. (*Effective July 1, 2025*) (a) As used in this section:

1455 (1) "Artificial intelligence" means artificial intelligence system, as
1456 defined in section 1 of this act;

1457 (2) "Generative artificial intelligence" means any form of artificial
1458 intelligence, including, but not limited to, a foundation model, that is
1459 able to produce synthetic digital content, as defined in section 1 of this

1460 act; and

1461 (3) "State agency" means any department, board, council,
1462 commission, institution or other executive branch agency of state
1463 government, including, but not limited to, each constituent unit and
1464 each public institution of higher education.

1465 (b) Each state agency shall, in consultation with the labor unions
1466 representing the employees of such state agency, study how generative
1467 artificial intelligence may be incorporated in its processes to improve
1468 efficiencies. Each state agency shall prepare for any such incorporation
1469 with input from the state agency's employees, including, but not limited
1470 to, any applicable collective bargaining unit that represents its
1471 employees, and appropriate experts from civil society organizations,
1472 academia and industry.

1473 (c) Not later than January 1, 2026, each state agency shall submit the
1474 results of such study to the Department of Administrative Services,
1475 including a request for approval of any potential pilot project utilizing
1476 generative artificial intelligence that the state agency intends to
1477 establish, provided such use is in accordance with the policies and
1478 procedures established by the Office of Policy and Management
1479 pursuant to subsection (b) of section 4-68jj of the general statutes. Any
1480 such pilot project shall measure how generative artificial intelligence (1)
1481 improves Connecticut residents' experience with and access to
1482 government services, and (2) supports state agency employees in the
1483 performance of their duties in addition to any domain-specific impacts
1484 to be measured by the state agency. The Commissioner of
1485 Administrative Services shall assess any such proposed pilot project in
1486 accordance with the provisions of section 4a-2e of the general statutes,
1487 as amended by this act, and may disapprove any pilot project that fails
1488 such assessment or requires additional legislative authorization.

1489 (d) Not later than February 1, 2026, the Commissioner of
1490 Administrative Services shall submit a report, in accordance with the
1491 provisions of section 11-4a of the general statutes, to the joint standing
1492 committees of the General Assembly having cognizance of matters

1493 relating to consumer protection and government administration. Such
1494 report shall include a summary of all pilot projects approved by the
1495 commissioner under this section and any recommendations for
1496 legislation necessary to implement additional pilot projects.

1497 Sec. 24. Section 32-39e of the general statutes is repealed and the
1498 following is substituted in lieu thereof (*Effective July 1, 2025*):

1499 (a) If, in the exercise of its powers under section 32-39, Connecticut
1500 Innovations, Incorporated (1) finds that the use of a certain technology,
1501 product or process, including, but not limited to, an artificial intelligence
1502 system, as defined in section 1 of this act, (A) would promote public
1503 health and safety, environmental protection or economic development,
1504 or (B) with regard to state services, would promote efficiency, reduce
1505 administrative burdens or otherwise improve such services, and (2)
1506 determines such technology, product or process was developed by a
1507 business (A) domiciled in this state to which the corporation has
1508 provided financial assistance or in which the corporation has invested,
1509 or (B) which has been certified as a small contractor or minority business
1510 enterprise by the Commissioner of Administrative Services under
1511 section 4a-60g, the corporation, upon application of such business, may
1512 recommend to the Secretary of the Office of Policy and Management
1513 that an agency of the state, including, but not limited to, any constituent
1514 unit of the state system of higher education, be authorized to test such
1515 technology, product or process by employing [it] such technology,
1516 product or process in the operations of such agency on a trial basis. The
1517 purpose of such test program shall be to validate the commercial
1518 viability of such technology, product or process provided no business
1519 in which Connecticut Innovations, Incorporated has invested shall be
1520 required to participate in such program.

1521 (b) Connecticut Innovations, Incorporated shall make no such
1522 recommendation unless such business has submitted a viable business
1523 plan to Connecticut Innovations, Incorporated for manufacturing and
1524 marketing such technology, product or process and such business
1525 demonstrates that (1) the usage of such technology, product or process

1526 by the state agency will not adversely affect safety, (2) sufficient research
1527 and development has occurred to warrant participation in the test
1528 program, (3) the technology, product or process has potential for
1529 commercialization not later than two years following the completion of
1530 any test program involving a state agency under this section, and (4)
1531 such technology, product or process will have a positive economic
1532 impact in the state, including the prospective addition of jobs and
1533 economic activity upon such commercialization.

1534 (c) If the Secretary of the Office of Policy and Management finds that
1535 employing such technology, product or process would be feasible in the
1536 operations of a state agency and would not have any detrimental effect
1537 on such operations, said secretary, notwithstanding the requirement of
1538 chapter 58, may direct an agency of the state to accept delivery of such
1539 technology, product or process and to undertake such a test program.
1540 The Secretary of the Office of Policy and Management, in consultation
1541 with the Commissioner of Administrative Services, the chief executive
1542 officer of Connecticut Innovations, Incorporated and the department
1543 head of the testing agency, shall determine, on a case-by-case basis,
1544 whether the costs associated with the acquisition and use of such
1545 technology, product or process by the testing agency shall be borne by
1546 Connecticut Innovations, Incorporated, the business or by any investor
1547 or participant in such business. The acquisition of any technology,
1548 product or process for purposes of the test program established
1549 pursuant to this section shall not be deemed to be a purchase under the
1550 provisions of the state procurement policy. The testing agency, on behalf
1551 of Connecticut Innovations, Incorporated shall maintain records related
1552 to such test program, as requested by Connecticut Innovations,
1553 Incorporated and shall make such records and any other information
1554 derived from such test program available to Connecticut Innovations,
1555 Incorporated and the business. Any proprietary information derived
1556 from such test program shall be exempt from the provisions of
1557 subsection (a) of section 1-210.

1558 (d) If the Secretary of the Office of Policy and Management, in
1559 consultation with the Commissioner of Administrative Services, the

1560 chief executive officer of Connecticut Innovations, Incorporated and the
1561 department head of the testing agency, determines that the test program
1562 sufficiently demonstrates that the technology, product or process
1563 promotes public health and safety, environmental protection, economic
1564 development or efficiency, reduces administrative burdens or otherwise
1565 improves state services, the Commissioner of Administrative Services
1566 may procure such technology, product or process for use by any or all
1567 state agencies pursuant to subsection (b) of section 4a-58.

1568 (e) The Secretary of the Office of Policy and Management, the
1569 Commissioner of Administrative Services and Connecticut Innovations,
1570 Incorporated may develop a program to recognize state agencies that
1571 help to promote public health and safety, environmental protection,
1572 economic development or efficiency, reduce administrative burdens or
1573 improve state services by participating in a testing program under this
1574 section. Such program may include the creation of a fund established
1575 with savings accrued by the testing agency during its participation in
1576 the testing program established under this section. Such fund shall only
1577 be used to implement the program of recognition established by the
1578 Secretary of the Office of Policy and Management, the Commissioner of
1579 Administrative Services and Connecticut Innovations, Incorporated,
1580 under the provisions of this subsection.

1581 (f) The Secretary of the Office of Policy and Management, the
1582 Commissioner of Administrative Services, Connecticut Innovations,
1583 Incorporated, and the Chief Information Officer shall, within available
1584 appropriations, establish an artificial intelligence systems fellowship
1585 program for the purpose of assisting the Chief Information Officer and
1586 state agencies to implement artificial intelligence systems procured
1587 pursuant to subsection (b) of section 4a-58. The program shall be within
1588 the Office of Policy and Management for administrative purposes only.
1589 Not later than January 1, 2026, the Governor shall appoint three artificial
1590 intelligence technology fellows in consultation with the Chief
1591 Information Officer. Each artificial intelligence technology fellow shall
1592 have professional experience or academic qualifications in the field of
1593 artificial intelligence, and shall perform such artificial intelligence

1594 technology fellow's duties under the supervision of the Chief
1595 Information Officer. The initial term for each artificial intelligence
1596 technology fellow shall expire on January 31, 2029. Terms following
1597 initial terms shall be for two years, and any artificial intelligence
1598 technology fellow may serve more than one term. The Governor shall
1599 fill any vacancy in consultation with the Chief Information Officer not
1600 later than thirty days after the appointment becomes vacant. For the
1601 purposes of this subsection, "artificial intelligence system" has the same
1602 meaning as provided in section 1 of this act.

1603 Sec. 25. (*Effective July 1, 2025*) (a) For the purposes of this section:

1604 (1) "Artificial intelligence" means artificial intelligence system, as
1605 defined in section 1 of this act;

1606 (2) "General-purpose artificial intelligence" means general-purpose
1607 artificial intelligence model, as defined in section 1 of this act; and

1608 (3) "Synthetic digital content" has the same meaning as provided in
1609 section 1 of this act.

1610 (b) There is established a working group to engage stakeholders and
1611 experts to:

1612 (1) Make recommendations concerning:

1613 (A) The best practices to avoid the negative impacts, and to maximize
1614 the positive impacts, on services and state employees in connection with
1615 the implementation of new digital technologies and artificial
1616 intelligence;

1617 (B) The collection of reports, recommendations and plans from state
1618 agencies considering the implementation of artificial intelligence, and
1619 the assessment of such reports, recommendations and plans against the
1620 best practices described in subparagraph (A) of this subdivision; and

1621 (C) Any other matters that the working group may deem relevant for
1622 the purposes of avoiding the negative impacts, and maximizing the

- 1623 positive impacts, described in subparagraph (A) of this subdivision;
- 1624 (2) Make recommendations concerning methods to create resources
1625 for the purpose of assisting small businesses to adopt artificial
1626 intelligence to improve their efficiency and operations;
- 1627 (3) Propose legislation to (A) regulate the use of general-purpose
1628 artificial intelligence, and (B) require social media platforms to provide
1629 a signal when such social media platforms are displaying synthetic
1630 digital content;
- 1631 (4) After reviewing the laws and regulations, and any proposed
1632 legislation or regulations, of other states concerning artificial
1633 intelligence, propose legislation concerning artificial intelligence;
- 1634 (5) Develop an outreach plan for the purpose of bridging the digital
1635 divide and providing workforce training to persons who do not have
1636 high-speed Internet access;
- 1637 (6) Evaluate and make recommendations concerning:
- 1638 (A) The establishment of testbeds to support safeguards and systems
1639 to prevent the misuse of artificial intelligence;
- 1640 (B) Risk assessments for the misuse of artificial intelligence;
- 1641 (C) Evaluation strategies for artificial intelligence; and
- 1642 (D) The development, testing and evaluation of resources to support
1643 state oversight of artificial intelligence;
- 1644 (7) Review the protections afforded to trade secrets and other
1645 proprietary information under existing state law and make
1646 recommendations concerning such protections;
- 1647 (8) Study definitions concerning artificial intelligence, including, but
1648 not limited to, the definition of high-risk artificial intelligence system set
1649 forth in section 1 of this act, and make recommendations concerning the
1650 inclusion of language providing that no artificial intelligence system

1651 shall be considered to be a high-risk artificial intelligence system if such
1652 artificial intelligence system does not pose a significant risk of harm to
1653 the health, safety or fundamental rights of individuals, including, but
1654 not limited to, by not materially influencing the outcome of any
1655 decision-making;

1656 (9) Make recommendations concerning the establishment and
1657 membership of a permanent artificial intelligence advisory council; and

1658 (10) Make such other recommendations concerning artificial
1659 intelligence that the working group may deem appropriate.

1660 (c) (1) (A) The working group shall be part of the Legislative
1661 Department and consist of the following voting members: (i) One
1662 appointed by the speaker of the House of Representatives, who shall be
1663 a representative of the industries that are developing artificial
1664 intelligence; (ii) one appointed by the president pro tempore of the
1665 Senate, who shall be a representative of the industries that are using
1666 artificial intelligence; (iii) one appointed by the majority leader of the
1667 House of Representatives, who shall be an academic with a
1668 concentration in the study of technology and technology policy; (iv) one
1669 appointed by the majority leader of the Senate, who shall be an academic
1670 with a concentration in the study of government and public policy; (v)
1671 one appointed by the minority leader of the House of Representatives,
1672 who shall be a representative of an industry association representing the
1673 industries that are developing artificial intelligence; (vi) one appointed
1674 by the minority leader of the Senate, who shall be a representative of an
1675 industry association representing the industries that are using artificial
1676 intelligence; (vii) one appointed by the House chairperson of the joint
1677 standing committee of the General Assembly having cognizance of
1678 matters relating to consumer protection; (viii) one appointed by the
1679 Senate chairperson of the joint standing committee of the General
1680 Assembly having cognizance of matters relating to consumer
1681 protection; (ix) one appointed by the House ranking member of the joint
1682 standing committee of the General Assembly having cognizance of
1683 matters relating to consumer protection, who shall be a representative

1684 of the artificial intelligence industry or a related industry; (x) one
1685 appointed by the Senate ranking member of the joint standing
1686 committee of the General Assembly having cognizance of matters
1687 relating to consumer protection, who shall be a representative of the
1688 artificial intelligence industry or a related industry; (xi) one appointed
1689 by the House chairperson of the joint standing committee of the General
1690 Assembly having cognizance of matters relating to labor, who shall be a
1691 representative of a labor organization; (xii) one appointed by the Senate
1692 chairperson of the joint standing committee of the General Assembly
1693 having cognizance of matters relating to labor, who shall be a
1694 representative of a labor organization; (xiii) one appointed by the House
1695 ranking member of the joint standing committee of the General
1696 Assembly having cognizance of matters relating to labor, who shall be a
1697 representative of a small business; (xiv) one appointed by the Senate
1698 ranking member of the joint standing committee of the General
1699 Assembly having cognizance of matters relating to labor, who shall be a
1700 representative of a small business; and (xv) two appointed by the
1701 Governor, who shall be members of the Connecticut Academy of
1702 Science and Engineering.

1703 (B) All voting members of the working group appointed pursuant to
1704 subparagraph (A) of this subdivision shall have professional experience
1705 or academic qualifications in matters pertaining to artificial intelligence,
1706 automated systems, government policy or another related field.

1707 (C) All initial appointments to the working group shall be made not
1708 later than July 31, 2025. Any vacancy shall be filled by the appointing
1709 authority.

1710 (D) Any action taken by the working group shall be taken by a
1711 majority vote of all members present who are entitled to vote, provided
1712 no such action may be taken unless at least fifty per cent of such
1713 members are present.

1714 (2) The working group shall include the following nonvoting, ex-
1715 officio members: (A) The House chairperson of the joint standing
1716 committee of the General Assembly having cognizance of matters

1717 relating to consumer protection; (B) the Senate chairperson of the joint
1718 standing committee of the General Assembly having cognizance of
1719 matters relating to consumer protection; (C) the House chairperson of
1720 the joint standing committee of the General Assembly having
1721 cognizance of matters relating to labor; (D) the Senate chairperson of the
1722 joint standing committee of the General Assembly having cognizance of
1723 matters relating to labor; (E) the Attorney General, or the Attorney
1724 General's designee; (F) the Comptroller, or the Comptroller's designee;
1725 (G) the Treasurer, or the Treasurer's designee; (H) the Commissioner of
1726 Administrative Services, or said commissioner's designee; (I) the Chief
1727 Data Officer, or said officer's designee; (J) the executive director of the
1728 Freedom of Information Commission, or said executive director's
1729 designee; (K) the executive director of the Commission on Women,
1730 Children, Seniors, Equity and Opportunity, or said executive director's
1731 designee; (L) the Chief Court Administrator, or said administrator's
1732 designee; and (M) the executive director of the Connecticut Academy of
1733 Science and Engineering, or said executive director's designee.

1734 (d) The chairpersons of the joint standing committee of the General
1735 Assembly having cognizance of matters relating to consumer protection
1736 and the executive director of the Connecticut Academy of Science and
1737 Engineering shall serve as chairpersons of the working group. Such
1738 chairpersons shall schedule the first meeting of the working group,
1739 which shall be held not later than August 31, 2025.

1740 (e) The administrative staff of the joint standing committee of the
1741 General Assembly having cognizance of matters relating to consumer
1742 protection shall serve as administrative staff of the working group.

1743 (f) Not later than February 1, 2026, the working group shall submit a
1744 report on its findings and recommendations to the joint standing
1745 committee of the General Assembly having cognizance of matters
1746 relating to consumer protection, in accordance with the provisions of
1747 section 11-4a of the general statutes. The working group shall terminate
1748 on the date that the working group submits such report or February 1,
1749 2026, whichever is later.

1750 Sec. 26. Section 4a-2e of the general statutes is repealed and the
1751 following is substituted in lieu thereof (*Effective July 1, 2025*):

1752 (a) For the purposes of this section:

1753 (1) "Artificial intelligence" means [(A) an artificial system that (i)
1754 performs tasks under varying and unpredictable circumstances without
1755 significant human oversight or can learn from experience and improve
1756 such performance when exposed to data sets, (ii) is developed in any
1757 context, including, but not limited to, software or physical hardware,
1758 and solves tasks requiring human-like perception, cognition, planning,
1759 learning, communication or physical action, or (iii) is designed to (I)
1760 think or act like a human, including, but not limited to, a cognitive
1761 architecture or neural network, or (II) act rationally, including, but not
1762 limited to, an intelligent software agent or embodied robot that achieves
1763 goals using perception, planning, reasoning, learning, communication,
1764 decision-making or action, or (B) a set of techniques, including, but not
1765 limited to, machine learning, that is designed to approximate a cognitive
1766 task; and] artificial intelligence system, as defined in section 1 of this act;

1767 (2) "Generative artificial intelligence" means any form of artificial
1768 intelligence, including, but not limited to, a foundation model, that is
1769 able to produce synthetic digital content, as defined in section 1 of this
1770 act; and

1771 [(2)] (3) "State agency" has the same meaning as provided in section
1772 4d-1.

1773 (b) (1) Not later than December 31, 2023, and annually thereafter, the
1774 [Department] Commissioner of Administrative Services shall conduct
1775 an inventory of all systems that employ artificial intelligence and are in
1776 use by any state agency. Each such inventory shall include at least the
1777 following information for each such system:

1778 (A) The name of such system and the vendor, if any, that provided
1779 such system;

1780 (B) A description of the general capabilities and uses of such system;

1781 (C) Whether such system was used to independently make, inform or
1782 materially support a conclusion, decision or judgment; and

1783 (D) Whether such system underwent an impact assessment prior to
1784 implementation.

1785 (2) The [Department] Commissioner of Administrative Services shall
1786 make each inventory conducted pursuant to subdivision (1) of this
1787 subsection publicly available on the state's open data portal.

1788 (c) Beginning on February 1, 2024, the [Department] Commissioner
1789 of Administrative Services shall perform ongoing assessments of
1790 systems that employ artificial intelligence and are in use by state
1791 agencies to ensure that no such system shall result in any unlawful
1792 discrimination or disparate impact described in subparagraph (B) of
1793 subdivision (1) of subsection (b) of section 4-68jj. The [department]
1794 commissioner shall perform such assessment in accordance with the
1795 policies and procedures established by the Office of Policy and
1796 Management pursuant to subsection (b) of section 4-68jj.

1797 (d) The Commissioner of Administrative Services shall, in
1798 consultation with other state agencies, collective bargaining units that
1799 represent state agency employees and industry experts, develop
1800 trainings for state agency employees on (1) the use of generative
1801 artificial intelligence tools that are determined by the commissioner,
1802 pursuant to the assessment performed under subsection (c) of this
1803 section, to achieve equitable outcomes, and (2) methods for identifying
1804 and mitigating potential output inaccuracies, fabricated text,
1805 hallucinations and biases of generative artificial intelligence while
1806 respecting the privacy of the public and complying with all applicable
1807 state laws and policies. Beginning on July 1, 2026, the commissioner
1808 shall make such trainings available to state agency employees not less
1809 frequently than annually.

1810 Sec. 27. (NEW) (*Effective July 1, 2025*) The Department of Economic
1811 and Community Development shall, within available appropriations,
1812 design an algorithmic computer model for the purpose of simulating

1813 and assessing various public policy decisions, proposed public policy
1814 decisions and the actual or potential effects of such policy decisions. The
1815 department shall design such model in collaboration with public and
1816 private institutions of higher education in this state, the Department of
1817 Energy and Environmental Protection and any other state agency the
1818 Commissioner of Economic and Community Development, in the
1819 commissioner's discretion, deems relevant for the purposes of this
1820 section. Such model shall, at a minimum, be designed to (1) function as
1821 a digital twin of the population of the state, (2) algorithmically model
1822 (A) the actual or potential effects of planning and development
1823 decisions or proposed planning and development decisions, and (B) the
1824 actual or potential socioeconomic effects of macroeconomic shocks on
1825 businesses and families in the state, (3) utilize large quantities of data to
1826 support the development of public policies concerning coastline
1827 resiliency, family assistance and workforce development, and (4) enable
1828 data-driven governance by optimizing resource allocation and policy
1829 efficiency for the purpose of furthering economic resilience and social
1830 equity.

1831 Sec. 28. Section 53a-189c of the general statutes is repealed and the
1832 following is substituted in lieu thereof (*Effective October 1, 2025*):

1833 (a) A person is guilty of unlawful dissemination of an intimate image
1834 when (1) such person intentionally disseminates by electronic or other
1835 means a photograph, film, videotape or other recorded image or
1836 synthetic image of (A) the genitals, pubic area or buttocks of another
1837 person with less than a fully opaque covering of such body part, or the
1838 breast of such other person who is female with less than a fully opaque
1839 covering of any portion of such breast below the top of the nipple, or (B)
1840 another person engaged in sexual intercourse, as defined in section 53a-
1841 193, (2) such person disseminates such image [without the consent of
1842 such other person,] knowing that such other person [understood that
1843 the image would not be so disseminated] did not consent to such
1844 dissemination, and (3) such other person suffers harm as a result of such
1845 dissemination.

1846 (b) For purposes of this [subsection, "disseminate"] section:

1847 (1) "Disseminate" means to sell, give, provide, lend, trade, mail,
1848 deliver, transfer, publish, distribute, circulate, present, exhibit, advertise
1849 or otherwise offer; [, and "harm"]

1850 (2) "Harm" includes, but is not limited to, subjecting such other
1851 person to hatred, contempt, ridicule, physical injury, financial injury,
1852 psychological harm or serious emotional distress; and

1853 (3) "Synthetic image" means any photograph, film, videotape or other
1854 image that (A) is not wholly recorded by a camera, (B) is either partially
1855 or wholly generated by a computer system, and (C) depicts, and is
1856 virtually indistinguishable from an actual representation of, an
1857 identifiable person.

1858 [(b)] (c) The provisions of subsection (a) of this [subsection] section
1859 shall not apply to:

1860 (1) Any image described in subsection (a) of this section of such other
1861 person if such image resulted from voluntary exposure or engagement
1862 in sexual intercourse by such other person, in a public place, as defined
1863 in section 53a-181, or in a commercial setting;

1864 (2) Any image described in subsection (a) of this section of such other
1865 person, if such other person is not clearly identifiable, unless other
1866 personally identifying information is associated with or accompanies
1867 the image; or

1868 (3) Any image described in subsection (a) of this section of such other
1869 person, if the dissemination of such image serves the public interest.

1870 [(c)] (d) Unlawful dissemination of an intimate image to (1) a person
1871 by any means is a class A misdemeanor, and (2) more than one person
1872 by means of an interactive computer service, as defined in 47 USC 230,
1873 an information service, as defined in 47 USC 153, or a
1874 telecommunications service, as defined in section 16-247a, is a class D
1875 felony.

1876 [(d)] (e) Nothing in this section shall be construed to impose liability
 1877 on the provider of an interactive computer service, as defined in 47 USC
 1878 230, an information service, as defined in 47 USC 153, or a
 1879 telecommunications service, as defined in section 16-247a, for content
 1880 provided by another person.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2025</i>	New section
Sec. 2	<i>October 1, 2025</i>	New section
Sec. 3	<i>October 1, 2025</i>	New section
Sec. 4	<i>October 1, 2025</i>	New section
Sec. 5	<i>October 1, 2025</i>	New section
Sec. 6	<i>October 1, 2025</i>	New section
Sec. 7	<i>October 1, 2025</i>	New section
Sec. 8	<i>October 1, 2025</i>	New section
Sec. 9	<i>October 1, 2025</i>	New section
Sec. 10	<i>October 1, 2025</i>	New section
Sec. 11	<i>October 1, 2025</i>	New section
Sec. 12	<i>October 1, 2025</i>	New section
Sec. 13	<i>July 1, 2025</i>	New section
Sec. 14	<i>July 1, 2025</i>	New section
Sec. 15	<i>July 1, 2025</i>	17b-751b(b)
Sec. 16	<i>July 1, 2025</i>	New section
Sec. 17	<i>July 1, 2025</i>	New section
Sec. 18	<i>July 1, 2025</i>	New section
Sec. 19	<i>July 1, 2025</i>	10-21l
Sec. 20	<i>July 1, 2025</i>	32-7p
Sec. 21	<i>July 1, 2025</i>	32-235(b)
Sec. 22	<i>July 1, 2025</i>	New section
Sec. 23	<i>July 1, 2025</i>	New section
Sec. 24	<i>July 1, 2025</i>	32-39e
Sec. 25	<i>July 1, 2025</i>	New section
Sec. 26	<i>July 1, 2025</i>	4a-2e
Sec. 27	<i>July 1, 2025</i>	New section
Sec. 28	<i>October 1, 2025</i>	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

¹The 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 enforcing² 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 26³ 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

²Per section 10 of the bill, violations constitute an unfair trade practice which are investigated and enforced by the OAG.

³FY 26 costs reflect 9 months of expenditures due to these sections having a 10/1/25 effective date.

⁴OLM 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 \$3,300⁷ while the average marginal cost for supervision in the community is less than \$600⁸ 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.

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SUMMARY

§§ 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

§ 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

§ 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

§ 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

§ 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

§ 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

§ 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

§ 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

<i>Appointing Authority</i>	<i>Member Qualifications</i>
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)