

# General Law Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-2

**Title:** AN ACT CONCERNING ARTIFICIAL INTELLIGENCE.

**Vote Date:** 3/21/2025

**Vote Action:** Joint Favorable Substitute (LCO 6685)

**PH Date:** 2/26/2025

**File No.:**

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## SPONSORS OF BILL:

General Law Committee

Sen. Martin M. Looney, 11th Dist.  
Sen. Saud Anwar, 3rd Dist.  
Sen. Christine Cohen, 12th Dist.  
Sen. Sujata Gadkar-Wilcox, 22nd Dist.  
Sen. Jan Hochadel, 13th Dist.  
Sen. Julie Kushner, 24th Dist.  
Sen. Rick Lopes, 6th Dist.  
Sen. James J. Maroney, 14th Dist.  
Sen. Douglas McCrory, 2nd Dist.  
Sen. Norman Needleman, 33rd Dist.  
Sen. MD Rahman, 4th Dist.  
Sen. Gary A. Winfield, 10th Dist.  
Rep. Tom Delnicki, 14th Dist.  
Rep. Rebecca Martinez, 22nd Dist.  
Rep. Marcus Brown, 127th Dist.  
Rep. Hubert D. Delany, 144th Dist.  
Rep. Bobby G. Gibson, 15th Dist.  
Rep. Eilish Collins Main, 146th Dist.  
Rep. Kaitlyn Shake, 120th Dist.

Sen. Bob Duff, 25th Dist.  
Sen. Jorge Cabrera, 17th Dist.  
Sen. Mae Flexer, 29th Dist.  
Sen. Herron Gaston, 23rd Dist.  
Sen. Paul Honig, 8th Dist.  
Sen. Matthew L. Lesser, 9th Dist.  
Sen. Ceci Maher, 26th Dist.  
Sen. Martha Marx, 20th Dist.  
Sen. Patricia Billie Miller, 27th Dist.  
Sen. Catherine A. Osten, 19th Dist.  
Sen. Derek Slap, 5th Dist.  
Rep. Geraldo C. Reyes, 75th Dist.  
Rep. Nick Gauthier, 38th Dist.  
Rep. Roland J. Lemar, 96th Dist.  
Rep. Anthony L. Nolan, 39th Dist.  
Rep. William Heffernan, 115th Dist.  
Rep. Michael "MJ" Shannon, 117th Dist.  
Rep. Lucy Dathan, 142nd Dist.

## REASONS FOR BILL:

Senate Bill 2 aims to support the **responsible growth of artificial intelligence (AI)** in Connecticut. Connecticut has been a leader in protecting residents from discrimination, and the state also has a well-established track record as a home for innovation. SB 2 upholds the state's commitment to fair and unbiased decision-making. It also sets up Connecticut's AI

industry for long-term success by making targeted investments in our workforce, infrastructure, and small businesses.

Connecticut is known for its strong anti-discrimination protections, which often provide safeguards beyond the scope of well-known federal laws such as the Civil Rights Act of 1964 and the Americans With Disabilities Act of 1990. **Our state expects important decisions about people's futures to be made fairly so that everyone has the opportunity to thrive,** and SB 2 holds AI systems that make “consequential decisions” to the same standard. A *consequential decision* includes various automated decisions pertaining to employment, education, housing, insurance, legal assistance, government services, or health care.

SB 2 **holds companies accountable** by requiring that they create and use AI models that **make consequential decisions fairly and without bias**. It also requires the companies to keep testing and refining their models to reduce the risk of algorithmic discrimination. Under this proposal, companies must assess their automated decision-making systems to determine the level of risk that the system could make unfair decisions based on membership in a protected class. If a system is “high risk,” then companies must create and continuously update a plan to minimize that risk. In order to ensure transparency and increase consumer confidence that automated decision-making systems are making fair decisions, SB 2 requires companies to disclose information about how the model has been tested and to make public the company's risk mitigation plan.

SB 2 does not intend to penalize companies that act responsibly. It is a **plan of action that protects consumers from unjust practices and provides clarity in a new industry**. If a company reports that it found a problem with its system and then fixes that problem promptly, they are not penalized. Additionally, if a consequential decision negatively impacts a consumer, the consumer receives an explanation of how the decision was made and what data was used to make it. If the data was wrong, the consumer gets the opportunity to appeal/fix the mistake. In order to demonstrate that Connecticut is serious about our commitment to fair and non-discriminatory decision making, the bill extends investigation and enforcement authority to the Office of the Attorney General. It also requires his office to develop a public education, outreach, and assistance program to aid small businesses with compliance.

In addition to establishing these essential safeguards, the legislation contains multiple provisions aimed at ensuring that **Connecticut maintains our role as a leader in technological innovation**. It creates an artificial intelligence regulatory sandbox program intended to help businesses grow and develop their systems in a safe, controlled environment. In order to increase the proportion of the state's workforce that is trained to use AI innovations, SB 2 also requires the creation of various training programs through a Connecticut AI Academy. A technology transfer program, CT AI Symposium, and a confidential computing cluster are intended to promote further innovation in Connecticut. The creation of the Connecticut Technology Advisory Board is intended to ensure that multiple stakeholders continue to shape the future of AI policy in Connecticut.

#### **SUBSTITUTE LANGUAGE:**

Based on feedback received from various stakeholders and in public hearing testimony, the substitute language intends to clarify various terms and definitions used throughout the bill.

## RESPONSE FROM ADMINISTRATION/AGENCY:

### Dante Bartolomeo, Commissioner, Connecticut Department of Labor (CTDOL)

submitted written testimony commenting on two aspects of the committee bill:

1. While CTDOL appreciates the intent of the provisions establishing the “Connecticut AI Academy,” Commissioner Bartolomeo points out that CTDOL does not provide training directly to workforce program participants, so the department would not be able to incorporate artificial intelligence programs into workforce training programs. CTDOL requests the removal of that provision. In addition, they request that the term “Workforce Investment Boards” be updated to “Workforce Development Boards” so that the language is standardized.
2. CTDOL notes that Section 13 of the original language would mandate that the department provide information on the AI Academy to those filing for unemployment benefits. They assert that this requirement would have a fiscal impact that is not accounted for in the Governor’s proposed budget. CTDOL would need time and resources to update their claims portal, so they request that the General Law Committee continue conversations about the proposed effective date of July 1, 2025.

### John R. DelBarba, Assistant Legal Counsel, Office of Chief Public Defender (OCPD)

provided testimony in opposition to Section 27 of the original committee bill, which expands criminal liability for unlawful dissemination of an intimate “synthetic image.” OCPD remains neutral on the rest of the bill. They explain that the committee bill would make sending an intimate synthetic image to more than one person a felony. OCPD writes that this section is problematic for “criminalizing conduct that is not a crime” and would create issues in terms of First Amendment challenges, vagueness, and uneven application of the law. The testimony presents a variety of scenarios and questions to illustrate OCPD’s argument. OCPD expresses willingness to assist the committee in drafting substitute language, but they request that as drafted, Section 27 be deleted in its entirety.

Scott Gaul, Chief Data Officer, Office of Policy and Management (OPM) submitted testimony raising concerns about the following sections of the original language:

- **Section 11:** Mr. Gaul notes that the requirement to create a regulatory sandbox program is similar to the one written in SB 1249, but he characterizes SB 1249’s language as involving “consultation with a wider range of stakeholders” and SB 2’s as “overly prescriptive.”
- **Sections 12-14:** Mr. Gaul thinks the requirements to create and market AI courses at state universities are “overly prescriptive.”
- **Section 15:** Mr. Gaul argues that the creation of a new Technology Advisory Board is duplicative.
- **Section 22:** Mr. Gaul notes that SB 1249 prescribes how state agencies should study how they can best use generative artificial intelligence and how to protect data privacy while doing so. He argues that SB 2 lacks such prescriptions.
- **Section 24:** Mr. Gaul states that the working group created to make various recommendations regarding AI is already covered by OPM and DAS’s Responsible AI Framework created in response to Public Act 23-16.
- **Section 25:** Mr. Gaul argues that the requirement to provide state employees with free training on AI is covered by an existing partnership.

- **Section 26:** Mr. Gaul encourages the committee to ensure that appropriate privacy protections be taken when developing the “digital twin” for the population of the state created in this section.

**Michelle Gilman, Commissioner, Department of Administrative Services (DAS)** provided written comments on SB 2, focusing on Section 22 of the original language. She notes that the language would require state agencies to report to DAS on potential uses of AI technology, and DAS would then review and approve or deny pilot projects. DAS would then report to the legislature on the pilot project and recommend next steps. Commissioner Gilman argues that these requirements would place a burden on DAS and other state agencies. She explains other reporting requirements that are already in place and states that she instead prefers to focus on data quality, as outlined in SB 1249.

**Tanya Hughes, Executive Director, Commission on Human Rights and Opportunities (CHRO)** submitted testimony expressing support of SB 2 and presenting a suggested change. She writes, “Without responsible safeguards, AI has the capacity to reinforce and perpetuate existing discrimination, particularly against historically marginalized communities.” Ms. Hughes notes that AI training data is sourced from the real world and therefore shaped by historical discrimination and bias. In order to counteract unintended bias, she argues that careful and consistent oversight is essential. She provides examples of AI systems introducing unintentional bias in hiring, resource deployment, translation, and other areas. CHRO supports SB 2’s proposed safeguards against algorithmic discrimination in automated decision making, but they recommend altering the definition of “algorithmic discrimination” so that it defines “places of public accommodation” in a manner consistent with state law instead of federal law. Overall, CHRO strongly supports SB 2 due to its efforts to harness AI in a manner that ensures equity and fairness.

**Colleen Murphy, Executive Director, Freedom of Information Commission** provided written comments on SB 2. She notes that the FOI Commission agrees with many of the bill’s provisions that intend to protect consumers who interact with AI systems engaged in high-stakes decision making. However, the Commission believes that the committee bill should include additional measures ensuring public access to data regarding high-risk AI decision-making.

Ms. Murphy argues that public access to data is essential to ensuring public trust in these systems, so the Commission requests that SB 2 be amended to require public disclosure of the data deployers receive from developers about the developers’ systems. She suggests that this data could be made available through Connecticut’s Open Data Portal. In addition, she requests additional clarity regarding the use of the term “person” in the definitions of “developer,” “integrator,” and “deployer.” Ultimately, the Commission would like to see the state become a role model for the responsible use of high-risk AI decision making systems.

**Daniel O’Keefe, Commissioner, Department of Economic and Community Development** testified to comment on SB 2. He comments separately on the legislation’s intent to promote economic growth and its efforts to regulate AI’s use. Commissioner O’Keefe recounts historical examples of attempted bans of a technology leading to negative economic consequences. He believes that the state’s goal should be to take advantage of the opportunities AI offers while strengthening existing regulations (but not creating new ones).

Commissioner O’Keefe argues that sections 1-10 will have a negative impact because they focus on regulation. He characterizes these requirements as complex, and he thinks that regulating AI “early” is a risk. Commissioner O’Keefe explains why he prefers Governor Lamont’s approach, which builds upon existing law, and he argues that SB 2’s antidiscrimination provisions are unnecessary. He fears that these new provisions can “create an unintended chilling effect.” Commissioner O’Keefe expresses concern that instead of choosing to comply, companies would leave the state. He thinks that in the absence of federal action, Connecticut should pursue a regional approach in this area. Commissioner O’Keefe adds that DECD supports “the economic development spirit of Senate Bill 2” outlined in sections 11-27 and suggests further changes that would, among other things, align its language with that in Governor Lamont’s bill.

**Werner Oyandel, Policy Director, Commission on Women, Children, Seniors, Equity, and Opportunity (CWCSEO)** testified in strong support of SB 2 because it “establishes clear regulations and forward-thinking policies to ensure the responsible development, deployment, and oversight of artificial intelligence in Connecticut.” CWCSEO believes that the bill’s inclusion of quantum computing in the Technology Talent and Innovation Fund Advisory Committee will help position the state as a leader in this emerging field. They point out that the bill empowers AI technology to be used to address major societal challenges, such as social isolation among seniors. CWCSEO suggests that the State dedicate resources toward using AI to connect people with the social services they need, provide language access to English language learners, support teachers, and perform other valuable functions.

CWCSEO appreciates the need to protect residents against possible harms associated with algorithmic decision making, as research has demonstrated that AI systems can unintentionally exhibit bias in areas such as employment, healthcare, and criminal justice. The commission notes that SB 2’s approach accounts for the disparate impact of the rise of automation on different segments of the population. They characterize the bill’s promotion of equitable access to AI-related job training and opportunities as “an important step toward bridging income gaps and fostering economic mobility.” CWCSEO’s testimony points out other aspects of the bill it appreciates and expresses the commission’s commitment to ensuring that AI’s deployment promotes equity, protects human dignity, and enhances opportunity for all in our state.

**Dr. Keli-Marie Vallieres, Chief Workforce Officer, Office of Workforce Strategy (OWS)** submitted written testimony to point out that funding provided to the Technology Talent Advisory Committee’s Tech Talent Accelerator has been spent, and there is no additional funding in Governor Lamont’s proposed budget. Including AI training in the Technology Talent Advisory Committee’s programming is not possible, as its program has basically sunset.

## **NATURE AND SOURCES OF SUPPORT:**

**State Representative Hubert Delany, 144th District** submitted testimony in strong support of SB 2. He writes, “As artificial intelligence rapidly transforms every sector of our economy—from education and workforce development to healthcare, consumer protection, and civil rights—Connecticut has the opportunity to be one of our nation’s leaders by ensuring AI is implemented responsibly, equitably, and transparently.” Rep. Delany supports the legislation

because it spurs economic development, protects residents' rights, and ensures that AI makes decisions fairly. He highlights the following aspects of the committee bill:

- **Preventing Algorithmic Discrimination**—Rep. Delany cites examples of discrimination in hiring, housing, and lending, and he argues that the algorithmic impact assessments proposed in Sections 1-5 will ensure that AI systems make decisions fairly, transparently, and in an accountable fashion.
- **Promoting AI Innovation and Economic Growth**—Rep. Delany highlights SB 2's creation of a regulatory sandbox, Connecticut AI Academy, and Technology Talent Advisory Committee as initiatives that allow companies to innovate, strengthen the AI workforce, and develop key partnerships within the industry.
- **Preventing Deepfake Abuse and Strengthening Consumer Protections**—Rep. Delany testifies that the bill's provisions "explicitly prohibit the dissemination of AI-generated non-consensual intimate images and deceptive deepfakes in elections." He argues that these protections help protect consumers and develop trust in AI applications.
- **Ensuring AI Enhances the Workforce**—Rep. Delany argues that the bill's oversight is essential to the success of the AI industry. He compares the way food safety regulations ensure that restaurants act responsibly to the way SB 2 would ensure that AI-related businesses conduct themselves safely and reasonably. He adds that the bill's workforce training programs ensure that Connecticut's workers would be empowered with the training they need to thrive.

Ultimately, Rep. Delany urges the committee to support SB 2 because it "fosters economic growth, strengthens transparency, protects vulnerable communities, and ensures that Connecticut remains a leader in responsible and effective AI governance."

[Senator Martin M. Looney, 11th District—Senate President Pro Tempore](#)

[Senator Bob Duff, 25th District—Senate Majority Leader](#)

[Senator Saud Anwar, 3rd District](#)

[Senator Jan Hochadel, 13th District](#)

[Senator Ceci Maher, 26th District](#)

[Senator James Maroney, 14th District](#)

[Senator Pat Billie Miller, 27th District](#)

These members of the Connecticut Senate Democratic Caucus submitted testimony in support of SB 2. Senators Looney and Duff submitted their own letter, and all of the aforementioned members signed another letter; the content of the two letters is nearly identical. They write that SB 2 will "establish Connecticut as a leader for how government should protect individuals, promote AI with businesses, and empower workers."

[Vahid Behzadan, Ph.D., Assistant Professor of Computer Science and Data Science, University of New Haven and Co-Founder, Connecticut AI Alliance \(CAIA\)](#)

testified in strong support of SB 2 because "this bill represents a meaningful advancement in ensuring that AI systems deployed in our state are **safe, fair, and beneficial to all residents**." Dr. Behzadan argues that the bill's regulatory framework flexibly balances consumer protection with AI innovation. He expresses strong support for the workforce development and education initiatives proposed in Sections 11-27 of the committee bill because these public and private partnerships can "strengthen AI-driven workforce pipelines, industry partnerships, and research collaborations."



Dr. Behzadan appreciates the bill's efforts to address statewide needs for computing infrastructure and urges the committee to include specific funding mechanisms so that these needs can be addressed in a predictable fashion. He appreciates SB 2's consideration of fairness and transparency in AI deployment and recommends further technical changes to assist with compliance and implementation. Dr. Behzadan recommends that the committee explore opportunities to expand funding for ethical AI development and innovation. Ultimately, he believes that the bill's inclusive approach can build an ecosystem that works for all of Connecticut's residents and businesses.

**Carmen Clarkin, Research and Policy Associate, Connecticut Voices for Children (CT Voices)** testified in support of SB 2 because it addresses concerns about algorithmic discrimination, data privacy, and exploitation by establishing clear guardrails while supporting innovation. Ms. Clarkin notes that AI's increasing use in essential decision making has created an urgent need to establish regulatory safeguards, stating that over 30 states have passed or proposed legislation addressing AI-related concerns. CT Voices expresses appreciation for Section 1's clear definitions and accessible language because it improves stakeholders' understanding of the legislation's expectations. Ms. Clarkin explains the accountability measures surrounding high-risk AI decision making outlined in Sections 2-4 and appreciates the intent to protect vulnerable populations from discrimination. After outlining various other provisions, Connecticut Voices for Children urges the committee to support the bill, characterizing the legislation as "a forward-thinking approach to AI governance, seeking to harness the technology's potential while mitigating its risks."

**Alinor Sterling, President, Connecticut Trial Lawyers Association** testified in support of SB 2 largely because it establishes accountability when AI systems make critical decisions in areas such as employment, housing, education, and healthcare. They note that the association appreciates that the language includes a "savings" provision in Section 10(f)(3) of the committee bill clarifying that these provisions do not eliminate rights that people already have under existing law. They cite an example—if an AI lending system discriminates based on gender, the person could still sue under credit discrimination and other relevant laws. The association argues that the savings provision is "essential to ensure that as AI technology evolves, Connecticut residents will have full and appropriate legal remedies for any harms they suffer due to these technologies."

**Rock Vitale, Founder and CEO, soEasie.com** supports SB 2 because of its measures ensuring responsibility and transparency. Mr. Vitale highlights three features he finds most important:

1. Impact assessments for high-risk AI systems ensure that companies evaluate risks, develop guardrails, and ensure that decisions are being made fairly.
2. Transparency requirements help individuals develop trust in systems and ensure that they make informed decisions.
3. Minimizing algorithmic discrimination is a priority in the bill because algorithmic discrimination reinforces biases and creates unfair outcomes.

While supportive of the legislation, Mr. Vitale requests that the committee consider an exemption for small businesses because they do not have the same resources to devote to compliance as do the large corporations in the industry. He adds that he appreciates the bill's inclusion of training programs. Overall, Mr. Vitale urges the committee to pass the bill because it "strikes the right balance between innovation and accountability."

**Matthew Wallace, CEO and President, VRSim Inc.** provided testimony in support of SB 2, with his comments focusing on the provisions creating the Connecticut AI Institute. As the CEO and President of a Connecticut small business, he includes assessments of AI testing costs in his company's development process. He appreciates that SB 2 limits testing requirements to bias-oriented outcomes, as it minimizes additional cost, commenting, "This demonstrates that with the right approach, AI adoption can be both responsible and cost-effective, ensuring that businesses remain competitive without undue regulatory burdens." Mr. Wallace argues that the Connecticut AI Institute is essential to companies' success because small businesses need state-supported programs that provide funding, infrastructure, and opportunities to collaborate. He believes that fostering a strong AI ecosystem in Connecticut will strengthen the state's economy, create high-paying jobs, and ensure that all residents benefit from advancements. Mr. Wallace urges the committee to "prioritize investments that will allow Connecticut businesses, researchers, and workers to thrive in the AI-driven economy."

**Kara Williams, Law Fellow, Electronic Privacy Information Center (EPIC)** provided written testimony in support of SB 2, citing the state's opportunity to "lead the nation with innovative policy that both protects the rights and privacy of Connecticut residents and encourages technological innovation." Ms. Williams argues that Connecticut residents urgently need regulation of the use of high-risk AI systems, providing multiple examples of these systems' impacts on people's lives.

EPIC supports SB 2 because it requires developers and deployers to provide transparency regarding training data, the system's purpose and limitations, testing procedures, and how the risks of discrimination were minimized. Ms. Williams adds that SB 2 takes an important step by granting residents the right to know if an AI system is making a consequential decision about them, and it gives residents the right to appeal such decisions. The testimony outlines how SB 2 requires deployers to create risk management programs and conduct impact assessments regarding the use of high-risk AI systems. EPIC also appreciates the legislation's inclusion of various education and training programs.

EPIC offers a series of recommendations that it believes would further strengthen the committee bill, and the written testimony includes suggested language changes associated with each recommendation. If the committee makes the suggested changes, EPIC believes that SB 2 could be a "nation-leading law that protects Connecticut residents while allowing technological innovation to continue safely and responsibly."

**David Zboray, Operations Manager, VRSim, Inc.** testified in support of SB 2, focusing his written comments on the bill's efforts to "foster innovation while providing clear and fair guidelines for all businesses—both large and small." As the operations manager of a Connecticut small business, he argues that while large, well-resourced corporations have typically dominated the AI space, small businesses are providing innovative ideas and increasing competition in the industry. He stresses the importance of creating regulations that are mindful of the impact on small businesses so that companies of all sizes are operating on a more even playing field. Mr. Zboray argues that this bill is essential because without such regulations, the AI sector will be "ceded entirely to a handful of tech giants simply because we failed to create a regulatory environment where smaller players could thrive." He supports SB 2 because it creates regulations that prevent monopolization while maintaining clarity, fairness, and responsible innovation.



[Gerard Ferrari](#) submitted testimony expressing general support for SB 2.

## **GENERAL COMMENTS:**

### Civil rights organizations

*Supports if amended:* [David McGuire, Executive Director, ACLU Connecticut \(ACLU-CT\)](#)

provided written comments on SB 2. He notes that ACLU-CT commends the steps that the legislation takes to ensure transparency, accountability, and fairness in the use of AI but states that the legislation needs key changes before his organization can support it.

- Mr. McGuire explains that research has shown that automated decision systems (ADS) used in hiring, healthcare, housing, and other areas can produce biased outcomes. He argues that the bill's exemptions from some oversight provisions are "overly broad" and should therefore be removed.
- Mr. McGuire believes that the bill's anti-discrimination requirement is too lenient because it sets a low standard. He maintains that the impact assessments do not provide effective protection because companies only have to complete the assessment—they do not have to actually mitigate any discrimination that is discovered.
- Because Connecticut's civil rights laws guarantee high standards of accessibility and accommodation for individuals with disabilities, ACLU-CT suggests that decisions granting or denying accessibility and accommodation rights to people with disabilities be added to SB 2's list of consequential decisions.
- Mr. McGuire's written testimony includes a detailed list of other amendments that ACLU-CT is requesting.

ACLU-CT urges the committee to "significantly" amend the bill so that it provides true protections for workers and consumers. Mr. McGuire adds that the organization has First Amendment concerns about Section 27's provisions that prohibit the dissemination of synthetic intimate images, and his testimony suggests various changes to that section. Ultimately, ACLU-CT states that it looks forward to working with the committee on SB 2 and future legislative efforts.

*Opposes unless amended:* [Corrie Betts, NAACP of Connecticut Statewide Conference](#)

provided written testimony stating that her organization opposes the legislation *if it is not amended*. Ms. Betts stresses the importance of ensuring that AI and automated decision systems do not perpetuate discrimination against historically marginalized groups. She states that SB 2 "could be a strong bill" but points to loopholes and exemptions in the committee bill that she fears could lead to non-compliance. Ms. Betts's written testimony then lists a detailed series of amendments that intend to address the aforementioned concerns. She requests that the expertise of NAACP and its coalition of national statewide groups "be given serious consideration in the process of amending this bill to secure our collective endorsement.

### Tech industry

*General comments:* [Carol Toomey, Managing Director, Accenture](#) testified to provide comment, specifying that Accenture "takes no position on the underlying bill." Accenture stresses the importance of engaging with AI systems that are ethical, fair, and transparent, and they "applaud Connecticut's leadership on such an important issue." Ms. Toomey notes that SB 2 intends to support the implementation of responsible AI in the public and private sectors, and she comments on the importance of public-private partnerships in the AI space. Her testimony gives examples of successful partnerships in which Accenture has taken part,

citing these activities as evidence that Accenture knows that “strong governance and innovative thinking are critical to the success of efforts such as those proposed in SB 2.

*Requesting amendments:* [Monica Laufer, Senior Policy Manager, Workday](#) testified to express support of SB 2’s framework but to request amendments. Workday appreciates the legislation’s focus on higher-risk AI applications and its use of “practical and familiar” tools to promote accountability. They note that the language’s reliance on assisting risk management frameworks promotes consistency, and they express support for the duties of care and their corresponding rebuttable presumptions. Accenture also commends the bill’s inclusion of workforce development and training programs. They request the following amendments:

- Accenture requests that the definition of “substantial factor” be altered because they think it would unintentionally include uses of some low-risk tools.
- They note challenges regarding the requirement for developers to disclose the results of customers’ ongoing testing during deployment. They state that developers often do not have access to customer data after a system is deployed, so this provision should be removed.
- Accenture raises concerns about various exemptions for deployers. They argue that putting all responsibility on a developer conflicts with existing law and is not effective, so they request that it be specified that deployers must “comply with all legal obligations applicable to their use of high-risk AI systems.”
- Accenture brings up technical concerns with the definition of “general purpose AI developers” and suggests that the definition be narrowed.

*Requesting amendments:* [Meghan Pensyl, Policy Director, Business Software Alliance \(BSA\)](#) submitted testimony commenting on SB 2 and providing a series of recommended changes.

- **High-risk AI:** BSA argues that AI regulation should focus on high-risk uses. They comment that most of SB 2’s requirements focus on these high-risk uses, and they suggest modifications to terms pertinent to these requirements. In addition, BSA notes support for the use of risk management programs and impact assessments. In order to make any requirements regarding general-purpose AI systems more workable, BSA suggests that they be altered to align with those in the EU AI Act.
- **Distinguishing between different roles:** BSA explains the importance of creating different requirements for developers and deployers, as roles within the industry are not one-size-fits-all. They include proposed refinements to definitions and requirements pertaining to different entities in the AI supply chain.
- **Enforcement:** BSA appreciates SB 2’s strong enforcement authority, which is granted exclusively to the Attorney General.
- **Interoperability:** BSA believes that AI regulations work best when they work across markets, and they note Connecticut lawmakers’ work to share information with other states. They encourage the committee to continue working with stakeholders as the legislative process unfolds.

Insurance industry

[Kristina Baldwin, Vice President, American Property and Casualty Insurance Association](#)

[Eric George, President, Insurance Association of Connecticut](#)

[Christopher Nikolopoulos, Senior Regional Vice President, National Association of Mutual Insurance Companies](#)

These three individuals submitted identical testimony that provides comment on SB 2. They ask the committee to consider that “the insurance industry is unique among private sector participants due to the significant level of regulation that it is subject to.” They detail regulatory activity of the Connecticut Department of Insurance and the National Association of Insurance Commissioners (NAIC). These individuals point out that NAIC adopted a model bulletin on the development, deployment, and use of AI by insurers, and Connecticut recently released its own bulletin based on NAIC’s model. They express willingness to work with the committee as SB 2 continues to develop.

*Requesting exemption:* [Susan Halpin, Executive Director, Connecticut Association of Health Plans \(CTAHP\)](#) submitted testimony that provides commentary on SB 2 and also requests that the HIPAA exemption in Section 8 (d) (4) be expanded to cover health insurers. They suggest alterations to various definitions and state that they believe SB 2 should focus on the work of developers and deployers.

### Medical

*Requesting exemption:* [Jacqueline Blake, Yale New Haven Health System](#) submitted written testimony requesting that healthcare uses of AI be provided with an exemption from SB 2’s requirements. Ms. Blake argues that the legislation’s definitions reach “practically every use of AI in healthcare” and believes that the bill will make AI’s application “impossible and prevent the use of innovation to improve healthcare.” She provides a list of potential uses of AI in patient care and argues that the bill will also interfere with exploration of future applications.

*Requesting exemption:* [Dr. Rocco Orlando, Senior Strategic Advisor, Hartford Healthcare](#) provided comments on SB 2. After recognizing Senator Maroney for his leadership in AI legislation, he predicts that AI advancements will continue to have profound impact on the healthcare sector. Dr. Orlando raises four main concerns regarding SB 2’s interaction with the industry:

1. **Governance:** Dr. Orlando argues that the bill should require healthcare systems to develop a governance process that inventories, monitors, and assesses their organization’s applications of AI. If the organization has a governance process, then Dr. Orlando thinks the organization should then be exempt from SB 2’s requirements.
2. **Patient safety:** Dr. Orlando writes that certain uses of AI systems are regulated by the FDA and the Office of the National Coordinator for Health Information Technology, and he requests that those uses should be exempt from SB 2’s requirements. He adds that he believes AI research overseen by an Institutional Review Board should also be exempt. Dr. Orlando does not think it is safe to use autonomous AI systems in healthcare; he therefore asks that “healthcare be exempt from the ‘consequential decision making’ aspects of the bill if the health care organization has a ‘human in the loop’ policy.”
3. **Economic development:** Dr. Orlando urges caution regarding regulations that “might discourage innovative companies from choosing to work in Connecticut.”
4. **Health equity:** Dr. Orlando acknowledges that some AI algorithms will “inevitably” show some bias, so he argues that a “more nuanced” approach to regulation is required in healthcare. He stresses the importance of ongoing research aimed at AI applications that eliminate inequities in clinical care.

*General comments:* [Supriyo B. Chatterjee](#) provided written comments on SB 2, acknowledging that the broad nature of the subject has prompted him to restrict his comments to AI applications in healthcare. He argues that recent developments have called attention to the need to “meaningfully” manage the consent of Connecticut’s patients to have their healthcare data used in AI applications. Mr. Chatterjee points to SB 1331 as legislation that would build trust by requiring patients to give consent before their data is used. He raises the possibility that uses of AI in healthcare should be addressed in a separate piece of legislation.

#### Regional organizations

*Requesting exemption:* [Jessica Olander, President, Connecticut River Valley Chamber of Commerce \(CRVCC\)](#) provided comments on SB 2 that express support for some provisions but express concerns about others. She notes that CRVCC “appreciates the committee’s recognition of the importance of ensuring ethical and responsible use of artificial intelligence (AI) balanced against the need to support economic development.” The organization supports various economic development provisions included in the legislation but raises issues regarding the costs and liability Sections 1-10 would place on small businesses. Therefore, CRVCC requests that small businesses be exempted from those provisions of the committee bill.

*Requesting additional legislation:* [Francis R. Pickering, Executive Director, Western Connecticut Council of Governments \(WestCOG\)](#) submitted written comments on SB 2 that focus largely on AI’s impact on financial markets and cryptocurrency. Mr. Pickering urges the committee to develop new solutions that regulate “AI-driven market distortions” in this space, and he urges the committee to address these concerns in SB 2 or a separate legislative vehicle.

#### Seniors:

*Requesting amendments:* [John Erlingheuser, Senior Director of Advocacy, AARP Connecticut](#) testified to support SB 2’s transparency and accountability provisions but suggests that additional consumer protections could be added. He notes that as drafted, the bill gives consumers and workers access to information about automated decisions that impact their lives, and it encourages companies to do their due diligence before deploying an automated decision-making system. AARP would like the definition of “high risk automated decision” to be broadened and to include decisions that approve or deny accommodations for individuals with disabilities. They also request that disclosure requirements include specific information about who has access to data, what data they have, whether the data can be shared or sold, and how to opt out. Instead of requiring that consumers be provided with information about how a decision is reached *after* the process occurs, AARP suggests that individuals should be provided with this information up front. The organization requests additional clarity regarding definitions of who is protected and which entities have exemptions. They would also like to see stronger enforcement language.

*General comments:* [Mag Morelli, President, LeadingAge Connecticut](#) provided general comments on SB 2 that highlight how AI systems are used in the provision of aging services. LeadingAge therefore appreciates the bill “explicitly exempting HIPAA covered entities.” They stress the importance of continuing to protect aging adults from harmful uses of AI, and they will continue to follow SB 2 as it progresses.

## Think tanks

*Requesting amendments:* [Grace Gedye, Policy Analyst, Consumer Reports](#) testified to comment on SB 2. They “agree that legislation is needed to patch Connecticut’s consumer protection laws and civil rights laws for the AI era,” and they express appreciation for Senator Maroney’s commitment to this issue. At the same time, Consumer Reports states that they have concerns about how certain loopholes, exemptions, and shields could be used to undermine the law’s intent. They propose the following edits:

- Refining various definitions to eliminate ambiguity and prevent companies from escaping responsibility for compliance.
- Modifying the notification requirements regarding high-risk decision making so that consumers receive relevant information before an adverse decision could be made.
- Eliminating exemptions from consumers’ right to repeal, as the language could be exploited by companies who do not wish to engage in appeals.
- Improving relevance by removing “overbroad” exemptions for entire industries and eliminating the “cure” provision.
- Strengthening enforcement by adding a private right of action.

The written testimony provides further details regarding each proposed change and its rationale. Ms. Gedye notes that if “a number of the amendments mentioned above” are implemented, Consumer Reports plans to be supportive of the bill.

*General comments:* [Tatiana Rice, Director of U.S. AI Legislation, Future of Privacy Forum \(FPF\)](#) submitted written testimony commenting on SB 2. Overall, FPF argues that compared to the version that passed the Senate last year, the current version of SB 2 is “significantly more expansive, and we think a more targeted, risk-based approach could more effectively address known risks while preserving opportunities for AI advancement.” FPF explains that the committee bill retains the core protections of last year’s bill with respect to sensitive decision making, but they argue that this year’s version is substantially broader and would cover a wider scope of technologies than existing state law. FPF outlines the content of this year’s committee bill and then notes that this year’s draft incorporates elements from other states’ regulatory frameworks. They maintain that if this draft passes, “Connecticut SB 2 would be one of the most extensive AI regulations in the US” and explain various points at which the committee bill’s approach diverges from approaches taken in other states. FPF then suggests that Connecticut’s draft could benefit from adopting certain aspects of AI legislation from Colorado and Virginia, and the testimony details the suggested changes.

*Supports if amended:* [Matthew Scherer, Senior Counsel, Workers’ Rights, Center for Democracy & Technology \(CDT\)](#) testified to provide comments on SB 2, with his analysis focusing on the bill’s perceived strengths and areas for improvement. He writes, “We support the central transparency and accountability provisions in the bill, which would give consumers and workers basic information about automated decision systems that impact their lives and ensure companies do baseline due diligence before selling or deploying automated decision systems.” However, CDT maintains that the bill’s loopholes and exemptions would allow companies to escape compliance requirements. The testimony documents the prevalence and risks of automated decision systems, highlighting known instances of bias. CDT appreciates that the bill provides consumers with information about consequential decisions, but they argue that greater transparency is needed in the form of detailed pre-decision notices. CDT evaluates several key definitions and recommends changes to ensure clarity and compliance. They also argue that various exemptions should be either removed or significantly narrowed. If these changes are made, CDT would support SB 2.



### Labor Unions:

*Requesting amendments:* [Ed Hawthorne, President, Connecticut AFL-CIO](#) testified to comment on SB 2, evaluating its perceived strengths and presenting suggestions to further strengthen the bill. Mr. Hawthorne commends the General Law Committee and Senator Maroney for all the effort put in toward developing responsible AI policy for the state. AFL-CIO recognizes AI's promise and perils, and the organization would like to have a voice in how the technology is developed and implemented. Mr. Hawthorne presents the labor movement's framework for evaluating technology policy and notes that the workforce development initiatives align with those objectives. He requests that the use of AI in public work be a mandatory subject of collective bargaining with state employee unions and includes suggested language. Mr. Hawthorne also requests that the working group on best AI practices in state government be restructured to give public interests an equal voice with corporate ones. While AFL-CIO appreciates provisions requiring training for state employees in the use of AI tools, it is suggested that the legislation establish a statewide labor-management committee to oversee the development and implementation of those trainings. Mr. Hawthorne outlines further changes to the committee bill's language that his organization would like to see, providing detailed rationale for each one. He also expresses his hope that AI regulation will be combined into a single legislative vehicle, as he believes this collaborative and comprehensive approach will prove to be of greatest benefit to workers across the state.

[Zak Leavy, Legislative Associate Director, AFSCME Council 4](#) submitted written comments on behalf of the 30,000 public and private workers it represents in Connecticut. Council 4 appreciates the work Senator Maroney and the General Law Committee have done so far in terms of shaping responsible AI regulation. Mr. Leavy encourages the committee to refer to [Ed Hawthorne's testimony](#) and its suggested language because AFSCME believes that it can better protect workers.

*Requesting amendments:* [Bradford Murray, Deputy Director, AFT Research and Strategic Initiatives](#) testified to comment on SB 2. He commends the work done by Senator Maroney and others to craft legislation that establishes protections related to automated decision making. AFT appreciates the bill's "precise language," and the union is happy to see that the bill addresses deep fake pornography, which members who are educators recognize as "an issue plaguing classrooms across the country." Although AFT would like to fully support SB 2, it requests a "handful of small changes" to this draft. Some of these changes would eliminate or narrow various exemptions in an effort to better protect consumers. AFT also expresses support for AFL-CIO's proposed amendments because they would protect workers and give them increased voice in the policy creation process. In addition, AFT is in favor of adding a private right of action to the draft because it would enhance the legislation's enforceability.

### Creatives:

[Elizabeth Campbell](#) submitted comments on SB 2. She is a fiction author who lives in Connecticut, so her comments focus on protection of intellectual property. Ms. Campbell believes that SB 2 offers a "solid start" in protecting residents' data. She writes, "I'd like to see it mandatory for companies to not use Connecticut residents' information, intellectual property, and other personal and/or private data to train AI without consumers opting in first



(as opposed to people having to first opt out).” She expresses general approval and thanks Connecticut for leading on the issue.

Others:

*Requesting exemption:* [Chris Davis, Vice President, Public Policy, Connecticut Business and Industry Association \(CBIA\)](#) testified to comment on SB 2. While CBI supports various economic development initiatives in the committee bill, he requests an exemption for small businesses, citing the added compliance costs and burdens that would be placed on a small employer.

*Support if amended:* [David Deroches, Member of the Board, Connecticut Council on Freedom of Information \(CCFOI\)](#) testified to comment on SB 2, arguing, “In an attempt to limit the burden on businesses that the 2024 bill purportedly would have incurred, this year’s iteration weakens protections on consumers and limits transparency, making it easier for bad actors to thrive.” He discusses the apparent difficulty of balancing the concerns of businesses, the governor, and advocates for transparency and states that the bill offers “some protections, but certainly not enough.” Mr. Deroches expresses displeasure with the bill’s exemption from disclosure of any documents used in an investigation of a high-risk artificial intelligence system. He questions the legitimacy of any “trade secret” claims, warning of the impact of crafting an overly broad exemption in this area. Mr. Deroches adds that he considers the definition of “algorithmic discrimination” to be too narrow and prefers the language used in last year’s draft. He also points out perceived deficiencies in the requirement to disclose risks only if 1,000 or more customers are impacted, explaining how developers could exploit this loophole to continue their discriminatory activities indefinitely. Mr. Deroches states that this year’s bill has too few public disclosure requirements compared to last year’s draft, and he voices displeasure with this change. He notes that if the committee amends the bill to address the aforementioned concerns, then CCFOI would support it.

*General comments:* [Jim Heckman, General Counsel CT REALTORS](#) testified to respond to SB 2, recognizing the aspects of AI innovation that the organization considers most positive with respect to Connecticut real estate. Mr. Heckman states that CT REALTORS looks forward to AI technologies finding solutions that make housing easier to build, more affordable, and easier to access. CT REALTORS expresses concern about how AI regulations will impact the state’s ability to retain and attract businesses who might move in or out of Connecticut. The organization applauds the committee’s efforts to regulate AI and looks forward to continued opportunities to provide input into the legislation.

*Requesting amendments:* [Anna Lucey, Vice President of External Affairs, New England Connectivity and Telecommunications Association, Inc. \(NECTA\)](#) testified to request amendments to SB 2 that “ensure that the bill strikes the optimal balance between creating guardrails and providing businesses with flexibility for innovation.” The written testimony details a series of proposed changes to definitions of various terms. Suggested language is included. In addition, NECTA recommends removing the consumer right to access data used to make an adverse consequential decision; they argue that this new provision conflicts with rights already included in the Connecticut Data Privacy Act.

*General comments:* [Tim Phelan, President, Connecticut Retail Network](#) presented brief general comments on SB 2. He recognizes the importance of protecting citizens from

potential harms while taking time to analyze regulations' impact on businesses. Connecticut Retail Network continues to review the legislation and its implications, and they look forward to continuing to engage with the committee on this important topic.

*Requesting amendments:* [Yale University](#) submitted testimony to comment on “the complex issues surrounding artificial intelligence and its implications for healthcare, education, and research.” While Yale recognizes the need to safeguard citizens from unintended adverse impacts of AI tools, it expresses concerns about the potential complexity of compliance and its costs. They offer a series of seven recommendations intended to mitigate consequences pertaining to clinical care, academic research, and operational efficiency. The written testimony provides detailed rationale for each proposed change.

*Requesting exemption:* [Jennifer Widness, President, Connecticut Conference of Independent Colleges \(CCIC\)](#) provided comments about SB 2. She expresses concern about the cost and the burden that the proposed regulatory framework would place on member institutions. Citing the varied constituent groups within a university population and the challenges of determining which regulations would apply in a series of scenarios, CCIC requests that institutions of higher education be added to the list of exempt entities. With respect to the bill's economic development provisions, CCIC expresses approval that independent colleges are generally included in the proposed initiatives. Ms. Widness points to the fact that CCIC member institutions award more than half of the state's degrees in certain STEM fields as evidence that the inclusion of independent institutions is crucial to the state's success. CCIC is supportive of other investments in AI development and research, and they add that they are working with public and private institutions across the state to launch the Connecticut AI Alliance (CAIA), which is modeled after similar initiatives in New York, Massachusetts, and other states.

## **NATURE AND SOURCES OF OPPOSITION:**

### Hospitals

*All requesting exemption:* [Connecticut Children's Medical Center](#)  
[Connecticut Hospital Association \(CHA\)](#)  
[Vincent Capece, President and CEO, Middlesex Health](#)  
[Dan Keenan, Vice President of Government Relations, Trinity Health](#)

These four organizations submitted nearly identical testimony in opposition to SB 2, and they request an exemption for healthcare uses of AI. They raise concerns that the bill is “not appropriately tailored to avoid unnecessary interference with current uses or innovation of AI that might result from overregulation.” CHA and the hospitals express fear that the regulations would negatively impact healthcare in the state, and they cite examples of how AI can be used in healthcare. CHA's testimony adds details about how the organization has followed the years of work done to shape Connecticut's AI regulation, and they express displeasure because they believe SB 2 does not represent a balanced approach. CHA and the hospitals urge the committee to exempt healthcare uses from the bill if SB 2 moves forward.

### Medical devices and research

*Requesting amendment:* [Roxy Kozycky, Senior Director, State Government Relations, AdvaMed](#) submitted written testimony to express interest in SB 2 and to request additional exemptions for clinical research and “human oversight of consequential decisions.” AdvaMed

appreciates that the draft already includes an exemption for FDA regulated devices and research in support of an application for FDA approval. They note that the clinical research exemption is already part of the Connecticut Data Privacy Act, so they suggest that including it in SB 2 would create greater consistency and predictability for researchers in the state. AdvaMed requests an additional exemption for human oversight of consequential decisions, arguing that autonomous AI decisions and human decisions augmented by AI tools carry different levels of risk. They include suggested language associated with each proposed exemption.

#### Think tanks

[Timothy Anop, Director of External Affairs, Yankee Institute](#) opposes SB 2 because it “imposes burdensome regulations that stifle innovation.” Mr. Anop argues that the market can regulate itself, pointing to examples of companies and industries who have chosen to implement their own regulatory tools and frameworks. He raises concerns about the cost of compliance requirements and suggests that the legislation could cause companies to leave the state. Mr. Anop contends that the state should instead recognize best practices and provide incentives for voluntary compliance. He adds that he thinks that some definitions included in the bill should be refined to reduce ambiguity.

[Brianna January, Director of State and Local Government Relations, Northeast US, Chamber of Progress](#) testified in opposition to SB 2. She writes that it would “stunt Connecticut’s budding innovative AI tech sector without meaningfully advancing civil rights.” Ms. January argues that it is not possible to determine whether an automated tool or a human is responsible for a discriminatory outcome. She notes that Chamber of Progress does support the bill’s workforce development initiatives. However, she maintains that the notice requirements surrounding consequential decisions and the requirement to perform impact assessments could both reveal sensitive business information. Ms. January details the steps she has used to estimate compliance costs in Connecticut, and she reaches a figure of approximately \$224 million. She urges the committee to incentivize developers who comply and to focus on “public sector uses of AI.” Ms. January adds that she thinks that a better approach would be to strengthen Connecticut’s existing consumer and civil rights laws.

*Requesting amendments:* [William Martinez, Counsel, State Privacy and Security Coalition \(SPSC\)](#) opposes SB 2, with his testimony providing feedback on the following aspects of the committee bill:

- **Definitions:** Mr. Martinez argues that the terms *consequential decision* and *deploy, deployer, and developer* need additional clarity, and he provides suggestions for refinement. To avoid confusion, he recommends the removal of the term *integrator*. He also believes that the legislation should focus on high-risk models, so the term *general-purpose artificial intelligence model* should therefore be removed. Mr. Martinez adds that the definition of *intentional and substantial modification* should be refined so that it only captures the activities of high-risk models.
- **High-Risk Artificial Intelligence Systems:** Mr. Martinez states that he believes that systems should only be classified as “high risk” if they make decisions that are not reviewed by a human. He characterizes the language in Section 1(9)(ii) as “circular” and recommends its removal. In addition, Mr. Martinez states that using the term *unlawful content* in place of *discriminatory or harmful content* would add clarity to the draft.

- **Developer and Deployer Operational Requirements:** Mr. Martinez details a series of proposed changes to these provisions, providing comprehensive rationale in his written testimony regarding each proposed change.

[Adam Thierer, Senior Research Fellow, R Street Institute](#) testified in opposition to SB 2 because the bill represents “a significant expansion of state regulation of artificial intelligence (AI) systems that will discourage competition and investment.” He argues that the bill undermines national AI policy goals, stating that he believes that it is modeled after the European Union’s regulatory framework, which he characterizes as “disastrous.” Mr. Thierer expresses displeasure at this prospect because “scholars have called Europe ‘the biggest loser’ in the global technology race.” He argues that SB 2’s requirements would impede progress and slow AI innovation, so a better approach would be to “grant all AI innovators the widest latitude possible to bring new products and services to market, but then hold them accountable if they violate time-tested legal standards that protect consumers against harm and discrimination.” Mr. Thierer recounts the recent adoption of AI legislation in Colorado as a cautionary tale, stating that Connecticut should not follow Colorado’s example. Instead of passing SB 2, he believes that the state should focus on filling any gaps in existing laws.

#### Others

*Requesting amendments:* [Toby Malara, Vice President of Government Relations, American Staffing Association \(ASA\)](#) submitted written testimony in opposition to SB 2, requesting that the committee eliminate (1) provisions requiring prior notice and opt out rights and (2) post-consequential decision notices. They also ask that a “pop-up” notice on a website be deemed sufficient to meet “prior notice” requirements. ASA argues that it is “impossible” for staffing agencies to comply with prior notice requirements, as they would be unable to provide notice to every individual whose resume was screened by an automated system. Similarly, they argue that it would not be possible to provide the post-decision notice to every person whose resume is screened out of an applicant pool. In addition, ASA states that their position is that staffing firms should not be required to perform impact assessments, adding that “staffing agencies have little or no insight into how their [automated] tools were developed or the ability to influence their design.” They suggest that an alternative would be for the Department of Labor to create resources that staffing firms can use to evaluate their own technology.

*Requesting exemption:* [Thomas Mongellow, President and CEO, Connecticut Bankers Association \(CBA\)](#) testified to express opposition to SB 2, as well as to request an exemption for “financial institutions (including their affiliates) that are regulated and examined by state and federal regulators.” Although CBA notes that it supports some sections of the bill, including the regulatory sandbox and assorted economic development programs, they are concerned with the burden SB 2 would place on small businesses. Mr. Mongellow argues that SB 2 is unnecessary for financial institutions, citing various laws and regulatory procedures that apply to banks and their affiliates. For that reason, he requests the aforementioned exemption.

An [anonymous member of the public](#) submitted testimony opposing SB 2 for reasons largely unrelated to its content.

**Reported by: Betsy Francolino**

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