OLR Bill Analysis

sSB 2

AN ACT CONCERNING ARTIFICIAL INTELLIGENCE.

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

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

§ 9 — EDUCATION, OUTREACH, AND ASSISTANCE PROGRAM

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

§ 10 — ATTORNEY GENERAL ENFORCEMENT

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

§ 11 — CONNECTICUT ACADEMY OF SCIENCE AND ENGINEERING LIAISONS

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

§ 12 — REGULATORY SANDBOX

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

§§ 13-15 — CONNECTICUT AI ACADEMY

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

§ 16 — CONNECTICUT TECHNOLOGY ADVISORY BOARD

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

§ 17 — TECHNOLOGY TRANSFER PROGRAM

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

§ 18 — CONFIDENTIAL COMPUTING CLUSTER AND POLICY BOARD

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

§ 19 — COMPUTER SCIENCE EDUCATION AND WORKFORCE DEVELOPMENT ACCOUNT

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

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

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

§ 22 — CT AI SYMPOSIUM

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

§ 23 — STATE AGENCY STUDY OF AI

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

§ 24 — PRE-MARKET TESTING

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

§ 24 — AI SYSTEMS FELLOWSHIP PROGRAM

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

§ 25 — WORKING GROUP

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

§ 26 — STATE EMPLOYEE TRAINING

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

§ 27 — ALGORITHMIC COMPUTER MODEL

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

§ 28 — UNLAWFUL DISSEMINATION OF AN INTIMATE IMAGE

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

BACKGROUND

SUMMARY

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

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

§§ 1-4 — REASONABLE CARE

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

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

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

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

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

A "high-risk AI system" is a system that is intended, when deployed, to make, or be a substantial factor in making, a consequential decision. The following are not considered high-risk AI systems unless the technology, when deployed, makes, or is a substantial factor in making, a consequential decision:

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

technology;

2. AI-enabled video game technology;

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

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

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

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

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

A "substantial factor" is a factor that alters the outcome of a consequential decision, and is generated by an AI system, including any use of an AI system to generate any content, decision, prediction, or recommendation about a consumer that is used as a basis to make a

consequential decision about the consumer. It does not include any output an AI system produces where an individual was involved in the data processing that produced the output and the individual (1) meaningfully considered the data as part of the data processing, and (2) had the authority to change or influence the output the data processing produced.

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

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

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

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

4. access to essential government or health care services.

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

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

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

It does not include any change made to, or the performance of, a high-risk AI system, if the system continues to learn after it is offered, sold, leased, licensed, given, or otherwise made available to a deployer, or deployed, and the change (1) is made to the system because of any AI learning; (2) was predetermined by the deployer or the deployer's third-party contractor, when the deployer or contractor completed the initial

impact assessment for the system; and (3) is included in the system's technical documentation.

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

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

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

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

Enforcement

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

EFFECTIVE DATE: October 1, 2025

§ 2 — DEVELOPERS

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

General Statement of Intended Uses and Other Documentation

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

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

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

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

The documentation must also describe:

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

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

3. the system's intended outputs;

4. the measures the developer took to mitigate any known or reasonably foreseeable risks of algorithmic discrimination that may arise from the system being deployed; and

5. how the system is intended to be used, based on known or reasonably foreseeable harmful or inappropriate applications, and monitored by the individual when the system is used to

make, or is a substantial factor in making, a consequential decision.

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

Risk Mitigation

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

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

Statement Summary

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

1. the types of high-risk AI systems the developer (a) has developed or intentionally and substantially modified and (b) currently makes available to deployers or another developer, and

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

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

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

Required Notice to Attorney General and Others

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

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

Disclosure Exemptions

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

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

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

Disclosure to Attorney General

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

EFFECTIVE DATE: October 1, 2025

§ 3 — INTEGRATORS

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

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

Assuming Developer's Duties

The developer's general statement and documentation requirements

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

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

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

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

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

Disclosure Exemptions

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

Disclosure to Attorney General

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

documents as exempt from disclosure in the same manner as developers above.

EFFECTIVE DATE: October 1, 2025

§ 4 — DEPLOYERS

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

Risk Management Policy and Program

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

1. guidance and standards set by the latest version of the National Institute of Standards and Technology's "Artificial Intelligence Risk Management Framework," ISO or IEC 42001 of the International Organization for Standardization, or another nationally or internationally recognized risk management framework for AI systems that imposes requirements that are substantially equivalent to and as stringent as the bill's requirements for risk management policies and programs;

2. deployer's size and complexity;

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

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

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

Impact Assessment

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

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

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

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

3. a description of the (a) data categories the system processes as inputs and (b) outputs the system produces;

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

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

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

7. a high-level description of the post-deployment monitoring and

user safeguards provided on the system, including the oversight, use, and learning process the deployer established to address issues from deploying the system.

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

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

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

Annual Review

The bill requires a deployer, or its third-party contractor, to annually review, beginning by October 1, 2026, each system the deployer deployed to ensure it is not causing algorithmic discrimination.

Notification

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

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

2. if applicable, information concerning the consumer's right under

state law to opt out of the processing of the consumer's personal data for the purposes of profiling to further solely automated decisions that produce legal or similarly significant effects concerning the consumer;

3. the deployer's contact information;

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

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

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

Adverse Consequential Decisions

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

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

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

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

3. data source.

The deployer must also allow the consumer an opportunity to:

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

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

Public Inspection

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

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

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

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

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

A deployer must also periodically update this statement.

Exemptions

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

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

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

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

Attorney General Notice

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

Disclosure Exemptions

The bill specifies that the deployer provisions above do not require a deployer to disclose any information that is a trade secret or protected from disclosure under state or federal law. If a deployer withholds any information from a consumer, the deployer must send notice to the consumer disclosing (1) that the deployer is withholding the information from the consumer and (2) the basis for the withholding.

Disclosure to Attorney General

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

and third-party contractors to designate the documents as exempt from disclosure in the same manner as described for developers above.

EFFECTIVE DATE: October 1, 2025

§ 5 — GENERAL-PURPOSE AI

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

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

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

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

Exemptions

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

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

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

agreement between multiple entities for their internal purposes; or

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

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

Risk Management Framework

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

1. an internal governance function;

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

3. a risk management function; and

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

Disclosure Exemption

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

Disclosure to Attorney General

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

compliance with the bill. The bill also allows developers to designate the documentation as exempt from disclosure in the same manner as described above.

EFFECTIVE DATE: October 1, 2025

§ 6 — PUBLIC DISCLOSURE REQUIREMENTS

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

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

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

EFFECTIVE DATE: October 1, 2025

§ 7 — SYNTHETIC DIGITAL CONTENT

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

Developer Labeling and Technical Standards

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

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

The AI system developer must ensure the AI system outputs are marked and detectable as synthetic digital content (1) by the time the consumer, who did not create the outputs, first interacts with, or is

exposed to, the outputs and (2) in a way that is detectable by consumers and complies with any applicable accessibility requirements. As technically feasible and in a way that is consistent with any nationally or internationally recognized technical standards, the developer must ensure its technical solutions are effective, interoperable, robust, and reliable, considering the specificities and limitations of the different types of synthetic digital content, the implementation costs, and the generally acknowledged state-of-the-art.

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

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

1. consists exclusively of text,
2. is published to inform the public on matters of public interest, or
3. is unlikely to mislead a reasonable person consuming the content.

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

EFFECTIVE DATE: October 1, 2025

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

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

Compliance and Other Actions

The bill specifies that nothing in its provisions restrict a developer's,

integrator's, deployer's, or other person's ability to:

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

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

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

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

5. (a) by any means other than facial recognition technology, prevent, detect, protect against, or respond to security incidents or malicious or deceptive activities, or identity theft, fraud, harassment, or any illegal activity; (b) investigate, report, or prosecute those responsible for these actions; or (c) preserve system integrity or security;

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

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

8. effectuate a product recall;

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

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

Evidentiary Privilege

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

Constitutional Rights and Obligations

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

Federal Approvals, Research, and Work

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

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

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

The bill also does not apply to any developer, integrator, deployer, or

other person who:

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

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

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

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

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

Insurers

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

Banking Entities

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

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

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

This exemption applies to banks; out-of-state banks; mortgage lenders; Connecticut, out-of-state, or federal credit unions; and any affiliate, subsidiary, or service provider.

Burden of Proof

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

EFFECTIVE DATE: October 1, 2025

§ 9 — EDUCATION, OUTREACH, AND ASSISTANCE PROGRAM

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

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

attorney general's powers under the bill; and (4) any other matters the attorney general deems relevant for the program.

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

EFFECTIVE DATE: October 1, 2025

§ 10 — ATTORNEY GENERAL ENFORCEMENT

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

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

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

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

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

Notice of and Opportunity to Correct Violations

The bill generally requires the attorney general to allow a grace period to give violators an opportunity to cure a violation between

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

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

1. the number of violations;

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

3. the substantial likelihood of injury to the public;

4. the safety of individuals or property; and

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

Affirmative Defenses

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

1. discovered a violation through red-teaming;

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

3. otherwise complies with the latest version of (a) the "Artificial Intelligence Risk Management Framework" that the National Institute of Standards and Technology publishes; (b) ISO or IEC 42001 of the International Organization for Standardization; (c)

another nationally or internationally recognized risk management framework for AI systems that imposes requirements that are substantially equivalent to, and at least as stringent as, the bill's requirements; or (d) any AI system's risk management framework that is substantially equivalent to, and at least as stringent as, the requirements set by the previously listed publications.

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

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

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

EFFECTIVE DATE: October 1, 2025

§ 11 — CONNECTICUT ACADEMY OF SCIENCE AND ENGINEERING LIAISONS

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

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE: October 1, 2025

§ 12 — REGULATORY SANDBOX

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

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

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

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

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

Application

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

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

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

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

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

5. any other information the commissioner deems relevant.

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

Testing Period

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

Oversight

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

Reports

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

1. system performance metrics for the participant's AI system;

2. information on the way the participant's AI system mitigated any

risks associated with the system; and

3. any feedback the participant received from deployers, consumers, and other AI system users.

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

1. the number of persons who were active participants in the AI regulatory sandbox program for any part of that calendar year,

2. the overall performance and impact of AI systems the program tested, and

3. any recommendations for legislation regarding the program.

EFFECTIVE DATE: October 1, 2025

§§ 13-15 — CONNECTICUT AI ACADEMY

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

AI Academy (§ 13)

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

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

2. promote digital literacy;

3. prepare students for careers in fields involving AI;

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

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

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

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

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

Unemployment (§ 14)

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

Connecticut Home Visiting System (§ 15)

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

§ 16 — CONNECTICUT TECHNOLOGY ADVISORY BOARD

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

Board Membership and Administration

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

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

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

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

Board Powers and Duties

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

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

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

3. to issue reports and recommendations;

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

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

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

§ 17 — TECHNOLOGY TRANSFER PROGRAM

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

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

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

§ 18 — CONFIDENTIAL COMPUTING CLUSTER AND POLICY BOARD

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

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

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

§ 19 — COMPUTER SCIENCE EDUCATION AND WORKFORCE DEVELOPMENT ACCOUNT

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

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

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

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

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

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

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

The bill eliminates these requirements and instead requires the

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

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

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

The bill also makes technical and conforming changes.

§ 22 — CT AI SYMPOSIUM

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

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

§ 23 — STATE AGENCY STUDY OF AI

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

The bill requires each state agency, in consultation with the labor unions representing that agency's employees, to study how generative

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

By January 1, 2026, each agency must submit the study results to the Department of Administrative Services (DAS), including a request for approval of any potential pilot project using generative AI the agency intends to establish, provided the use follows the Office of Policy and Management (OPM)-established AI policies and procedures. Any pilot project must measure how generative AI (1) improves Connecticut residents' experience with and access to government services and (2) supports agency employees in performing their duties, in addition to any domain-specific impacts the agency measures. The DAS commissioner (1) must assess these proposals and ensure they will not result in any unlawful discrimination or disparate impact and (2) may disapprove any pilot that fails the assessment or requires additional legislative authorization.

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

§ 24 — PRE-MARKET TESTING

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

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

§ 24 — AI SYSTEMS FELLOWSHIP PROGRAM

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

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

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

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

§ 25 — WORKING GROUP

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

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

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

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

3. any other matters the working group deems relevant for

avoiding the negative impacts and maximizing the positive impacts.

The working group must also:

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

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

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

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

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

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

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

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

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

Voting Members

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

Table: Working Group Voting Member Appointment and Qualifications

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

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

Nonvoting Ex-Officio Members

The working group also includes the General Law and Labor and Public Employees committees' chairpersons as nonvoting ex-officio

members, and the following nonvoting ex-officio members, or their designees:

1. attorney general;
2. state comptroller;
3. state treasurer;
4. DAS commissioner;
5. chief data officer;
6. Freedom of Information Commission executive director;
7. Commission on Women, Children, Seniors, Equity and Opportunity executive director;
8. chief court administrator; and
9. CASE executive director.

Chairpersons and Meetings

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

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

Report

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

§ 26 — STATE EMPLOYEE TRAINING

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

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

The bill requires the DAS commissioner, in consultation with other state agencies, state employee collective bargaining units, and industry experts, to develop training for state agency employees. The training must be on (1) the use of generative AI tools that the commissioner determines, based on the assessment above, achieve equitable outcomes, and (2) ways to identify and mitigate potential output inaccuracies, fabricated text, hallucinations, and biases of generative AI while respecting the public's privacy and complying with all applicable state laws and policies. Under the bill, "generative AI" is any form of AI, including a foundation model, that can produce synthetic digital content.

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

§ 27 — ALGORITHMIC COMPUTER MODEL

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

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

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

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

2. algorithmically model (a) the actual or potential effects of

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

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

4. enable data-driven governance by optimizing resource allocation and policy efficiency to further economic resilience and social equity.

§ 28 — UNLAWFUL DISSEMINATION OF AN INTIMATE IMAGE

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

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

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

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

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

EFFECTIVE DATE: October 1, 2025

BACKGROUND

CUTPA

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

Related Bills

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

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

sSB 1484, favorably reported by the Labor and Public Employees Committee, imposes limits on an employer's use of high-risk AI systems

to make consequential decisions by, among other things, requiring employers to have an impact assessment before deploying a high-risk AI system and giving employees certain information about the systems and how they are used.

HB 6846 (File 143), favorably reported by the Government Administration and Elections Committee, generally makes it a crime for a person to, 90 days before an election or primary, (1) distribute certain communication with deceptive synthetic media or (2) enter into an agreement to distribute it.

COMMITTEE ACTION

General Law Committee

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