
OLR Bill Analysis

sSB 2 (File 603, as amended by Senate "A" and "B")*

AN ACT CONCERNING ARTIFICIAL INTELLIGENCE.

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BACKGROUND

SUMMARY

This bill requires certain artificial intelligence (AI) disclosures,

programs, and studies, and includes other AI-related provisions and a data privacy provision, as described in the section-by-section analysis below.

*Senate Amendment “A” (1) removes from the underlying bill, provisions on reasonable care, developers, integrators, deployers, general-purpose AI, synthetic digital content, compliance with federal laws or other actions, education, attorney general enforcement, Connecticut Technology Advisory Board, technology transfer program, confidential computing cluster and policy board, AI symposium, pre-market testing, AI systems fellowship program, state employee training, and algorithmic computer model; (2) adds provisions on the AI safety institute, generative AI study and pilot program, Office of Legislative (OLM) Management generative AI programs, Office of Policy and Management (OPM) AI policies and procedures, layoff notices, literacy initiatives, annual statewide education conference, and the Connecticut Data Privacy Act; (3) modifies various definitions and the provisions on Connecticut Academy of Science and Engineering (CASE) liaisons, regulatory sandbox, working group, and unlawful dissemination of an intimate image; and (4) makes various minor, technical, and conforming changes.

*Senate Amendment “B” makes a technical change.

EFFECTIVE DATE: July 1, 2025, unless otherwise noted below.

§§ 1 & 2 — DISCLOSURE REQUIREMENTS

Generally requires, beginning October 1, 2026, (1) 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 and (2) deployers of a high-risk AI system used to make, or that is a substantial factor in making, consequential decisions to make certain disclosures and allow consumers the opportunity to correct information and appeal adverse decisions

Public Disclosure

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

consumer is interacting with an AI system. Disclosure is not required when it would be obvious to a reasonable person that the person is interacting with an AI system.

Under the bill, an AI system is any machine-based system that (1) 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 and (2) may vary in its level of autonomy and adaptiveness after the system is deployed.

Substantial Factor in a Consequential Decision

Beginning October 1, 2026, the bill requires each deployer of a high-risk AI system to make, or be a substantial factor in making, a consequential decision concerning a consumer to do the following:

1. before the consequential decision is made, notify the consumer that the deployer has deployed a high-risk AI system to make, or be a substantial factor in making, the consequential decision;
2. give the consumer a statement disclosing the system's purpose and the nature of the consequential decision;
3. give the consumer information, if applicable, about the consumer's rights under the Connecticut Data Privacy Act to opt-out of the processing of the consumer's personal data for purposes of targeted advertising, personal data sales, or profiling to further solely automated decisions that produce legal or similarly significant effects concerning the consumer; and
4. give the consumer the deployer's contact information.

Under the bill, a "high-risk AI system" is a system that, when deployed, makes, or is 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. This includes any technology that:

1. performs any narrow procedural task that is limited in nature, including any technology that classifies incoming documents into categories, is used to detect duplicate applications among a large number of applications, categorizes documents based on when the documents were received, renames files according to standardized naming conventions, or automates the extraction of metadata for indexing;
2. improves a previously completed human activity and is not a substantial factor in any decision resulting from that human activity, including any technology that improves the language used in previously drafted documents; or
3. detects preexisting decision-making patterns, or deviations from them, following a previously completed human assessment that the technology is not intended to influence or replace without sufficient human review, including any technology that analyzes a particular decision-maker's preexisting decisions or decision-making patterns and designates any decision as potentially inconsistent or anomalous.

Additionally, the following technologies are also not considered high-risk AI systems under the same conditions:

1. tools for filtering robocalls or junk or spam e-mail or messages;
2. spell-checking tools;
3. calculators;
4. any Internet or computer network infrastructure optimization, diagnostic or maintenance tool, including any domain name registration, website hosting, content delivery, web caching, network traffic management, or system diagnostic tool;
5. any database, spreadsheet, or similar tool that exclusively organizes data that the person already possesses using the database, spreadsheet, or similar tool;

6. technology used to perform, assist, or administer office support functions and other ancillary business operations, including any technology used to order office supplies, manage meeting schedules, or automate inventory tracking;
7. fraud prevention systems or tools used to prevent, detect, or respond to any unlawful and malicious conduct or to comply with state and federal law; or
8. any technology that communicates with consumers in natural language to give consumers information, referrals, recommendations, or answers to questions, as long as the technology is subject to an acceptable use policy.

Under the bill, a “substantial factor” is a factor that assists in making a consequential decision, is capable of altering a consequential decision’s outcome, and is generated by an AI system. It includes any use of an AI system to generate any content, decision, prediction, or recommendation concerning a consumer that is used as a basis to make a consequential decision concerning the consumer.

A “consequential decision” is any decision or judgment that has a material legal or similarly significant effect on providing or denying a consumer of, or the cost or terms of, any:

1. education enrollment or opportunity;
2. employment or employment opportunity;
3. loan, financing, or credit offered or extended to a consumer for any personal, family, or household purpose;
4. state or municipal services to support the continuing state or municipal government agency operations or to provide for the public health, safety, or welfare, including any service provided for Medicare, Medicaid, law enforcement, regulatory oversight, licensing, or permitting; or
5. housing or legal services.

Adverse Decision

If a consequential decision is adverse to the consumer, the deployer must give the consumer a high-level statement about the reasons for the decision and an opportunity to correct the data and appeal the decision.

The high-level statement must disclose 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. Each deployer that is required to provide this statement must provide it:

1. directly to the consumer;
2. in plain language;
3. in all languages in which the deployer, in the ordinary course of its business, provides contracts, disclaimers, sales announcements and other information to consumers; and
4. in a format that is accessible to consumers with disabilities.

The consumer must also be given an opportunity to:

1. correct any incorrect personal data described above and
2. appeal the adverse consequential decision if it is based on any incorrect personal data, which must, if technically feasible, allow for human review unless providing this opportunity is not in the consumer's best interest, including when a delay might pose a risk to the consumer's life or safety.

Disclosure Not Required

The bill specifies that these provisions should not be construed to require any person to disclose any information that is a trade secret or otherwise protected from disclosure under state or federal law. If a person withholds any information, he or she must send a notice to the consumer disclosing (1) that the person is withholding the information from the consumer and (2) the basis for the person's decision to

withhold.

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 to maintain its secrecy that are reasonable under the circumstances.

Exemption

The bill’s disclosure provisions do not apply to (1) any covered entities or business associates, as defined in the Health Insurance Portability and Accountability Act (HIPAA) regulations (e.g., health plans, health care clearinghouses, and health care providers), or (2) any person carrying out a contract with the federal government or agency.

CUTPA

The bill deems any violation of its disclosure provisions an unfair trade practice (CUTPA) violation enforced solely by the attorney general, but it specifies CUTPA’s private right of action and class action provisions do not apply to the violation.

EFFECTIVE DATE: October 1, 2025

§ 3 — PUBLIC 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 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 and deployers that are small businesses. The program must at least disseminate educational materials about (1) the bill’s disclosure provisions (see above), (2) the attorney general’s powers under the disclosure provision, and (3) 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

§ 4 — 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 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 fellow CASE selects 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. 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;
2. 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;
3. create a plan for the state to provide high-performance computing services to businesses and researchers in Connecticut;

4. 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;
5. 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;
6. develop a plan to design or identify an algorithmic computer model for simulating and assessing various public policy decisions or proposed public policy decisions and their actual or potential effects; and
7. develop a plan to establish a technology transfer program (a) for supporting commercialization of new ideas and research among Connecticut public and private higher education institutions and (b) by working with relevant public and private organizations, including DECD, UConn, and a statewide consortium of Connecticut public and private entities, including Connecticut public and private higher education institutions, designed to advance the development, application, and impact of AI across the state, to assess whether UConn can support technology commercialization at other public and private higher education institutions in the state.

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

The bill requires the CASE fellows to submit a report to the Commerce and General Law committees by January 1, 2026.

EFFECTIVE DATE: Upon passage

§ 5 — AI SAFETY INSTITUTE

Allows the DECD commissioner to contract with an outside vendor to develop a plan to establish an AI safety institute; requires the program to serve as elements of a pilot program to facilitate the development, testing, and deployment of innovative AI systems; requires various submissions by the vendor and attorney general, including legislative reports by both

The bill requires the DECD commissioner to enter into a contract with an outside vendor to develop, in collaboration with relevant stakeholders, a plan (1) to establish an AI safety institute for leading a reference architecture (i.e. approach to innovation planning that emphasizes use cases and industry engagement) to establish standards and best practices for safely applying AI and (2) that provides for the provision of functional components, including providing de-identified or synthetic data for testing, secure data storage and access controls, representative and diverse data sets, bias evaluation toolkits, and isolated testing environments.

Outside Vendor

The outside vendor must:

1. be a statewide consortium of Connecticut public and private entities, including public and private higher learning institutions, designed to advance the development, application, and impact of AI best practices across the state and
2. submit a report to DECD and the Commerce and General Law committees disclosing (a) the vendor's board composition; (b) the resources available to the vendor, including funding sources; and (c) whether the vendor has engaged civil society representatives to perform any evaluation or reporting functions.

Program Development

Under the bill, the reference architecture and functional components must be developed to serve as elements of a pilot program to facilitate the development, testing, and deployment of innovative AI systems in the state.

Plan Submission

The outside vendor must submit the plan to DECD by February 1, 2026. It must include recommendations on the reference architecture and functional components. The bill allows the plan to be tailored to a particular AI market segment.

Vendor Legislative Report

Additionally, by February 1, 2026, the outside vendor must submit a report to the Commerce and General Law committees that includes:

1. the plan developed to establish an AI safety institute and
2. research findings and policy recommendations on the potential future implementation of (a) methods to evaluate and certify compliance with AI laws and regulations, (b) a framework to assess risk and implement mitigation agreements, (c) safe harbors through negotiated standards and agency approval, (d) mechanisms to provide regulatory certainty through tailored agreements, and (e) additional strategies to foster innovation in the responsible development of artificial intelligence.

EFFECTIVE DATE: October 1, 2025

§ 6 — REGULATORY “SANDBOX”

Requires the DECD commissioner, in consultation with various commissioners, to develop a plan to establish an AI regulatory sandbox program

The bill requires the DECD commissioner, in consultation with the banking, health strategy, public health, and insurance commissioners, to develop a plan to establish an AI regulatory sandbox program.

The program must allow an applicant to temporarily test an innovative product or service on a limited basis under reduced licensure, regulatory, or other legal requirements than may otherwise be required under state law. The plan must be developed to establish a competitive business environment in the state for developing and deploying AI technologies relative to other jurisdictions.

The DECD commissioner, by January 1, 2026, must submit recommendations to the governor and Banking, Commerce, Insurance

and Real Estate, and Public Health committees on the adoption of any legislation needed to implement the plan.

EFFECTIVE DATE: October 1, 2025

§§ 7-11 — CONNECTICUT AI ACADEMY

Requires BOR to establish a “Connecticut AI Academy” to curate and offer online courses on AI and its responsible use; requires DOL, SOTS, DOH, and the early childhood commissioner to give certain information about the academy to specific individuals and businesses

AI Academy (§ 7)

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 least:

1. curate and offer online courses on AI and its responsible use;
2. promote digital literacy;
3. prepare students for careers in fields involving AI;
4. offer courses and resources directed at individuals between ages 13 and 20;
5. offer courses and resources that prepare small businesses and nonprofit organizations to use AI to improve marketing and management efficiency;
6. develop courses on AI that DOL and workforce investment boards may incorporate into workforce training programs;
7. develop and offer courses for primary and secondary school teachers and administrators (a) on the appropriate use of AI in primary and secondary school classrooms, (b) instructing the teachers on how to use AI, and (c) informing teachers how to instruct primary and secondary school students to use AI; and

8. 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 (§ 8)

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

EFFECTIVE DATE: January 1, 2026

Secretary of the State (SOTS) (§ 9)

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

EFFECTIVE DATE: January 1, 2026

Department of Housing (DOH) (§ 10)

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

EFFECTIVE DATE: January 1, 2026

Connecticut Home Visiting System (§ 11)

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 give parents information about the Connecticut AI Academy.

EFFECTIVE DATE: January 1, 2026

§ 12 — 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 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.

§§ 13 & 14 — TECHNOLOGY TALENT AND INNOVATION FUND ADVISORY COMMITTEE

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

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

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

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

By July 1, 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. Under the bill, generative AI is any form of AI including a foundation model that can produce synthetic digital content (i.e. any audio, image, text, or video, that is produced or manipulated by AI).

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.

§ 15 — GENERATIVE AI STUDY AND PILOT PROGRAM

Requires each state agency to conduct a study to determine whether generative AI may be used to improve the agency's processes; allows agencies to develop and propose AI pilot programs; requires agencies to submit study results and proposed pilot programs to DAS; requires DAS to submit a report to OPM, which must include a summary and recommendations in the information and telecommunication systems strategic plan

The bill requires each state agency, in consultation with its employees and relevant experts, to study whether generative AI may be used to improve the agency's processes and create efficiencies within the agency.

Under the bill, a "state agency" is any department, board, council, commission, institution, or other executive branch agency, including each constituent unit and each public higher education institution.

The state agency may, based on the study's results, develop and propose one or more generative AI pilot programs to:

1. be included in the information and telecommunication systems

strategic plan;

2. (a) improve residents' access to, and experience with, government services the agency provides, (b) help agency employees perform their duties, or (c) positively impact any other relevant domain; and
3. measure any improvement, assistance, or impact described above.

Each state agency must submit the study results and any proposed generative AI pilot program developed to the Department of Administrative Services (DAS). The DAS commissioner must assess any proposed pilot program to ensure there is no unlawful discrimination or disparate impact. The commissioner may disapprove any program that fails the assessment or requires additional legislation in order to implement the program.

The DAS commissioner must submit to the OPM secretary a report including a summary of all pilot programs she approved and any recommendations for legislation needed to implement any additional pilot programs. The OPM secretary must include this summary and recommendations in the information and telecommunication systems strategic plan that he reports to the governor and the General Assembly.

§ 16 — OPM GENERATIVE AI PROGRAMS

Allows OLM to work with (1) the legislative caucuses and legislative offices to develop a process to solicit ideas for generative AI pilot programs and (2) technology organizations to establish a technology fellowship program

The bill allows OLM, within available appropriations, to work with:

1. the legislative caucuses and legislative offices to develop a process to solicit ideas for one or more generative AI pilot programs to (a) improve residents' experience with, and access to, the caucuses and offices and (b) support legislative employees in performing their duties and
2. organizations that support technology fellowships to establish a technology fellowship program to assist the legislative branch in

implementing the pilot programs.

§ 17 — 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. make recommendations and develop proposals to create a technology court for adjudicating AI, data privacy, and other technology-related issues;
3. propose legislation to (a) regulate the use of general-purpose AI models and (b) require social media platforms to provide a signal when they are displaying synthetic digital content;
4. propose other legislation on AI after reviewing other states' enacted and proposed AI laws and regulations;
5. develop an outreach plan to bridge the digital divide and provide workforce training to individuals who do not have high-speed Internet access;

6. evaluate and make recommendations on (a) establishing testbeds to support safeguards and systems to prevent AI misuse; (b) assessing risk for AI misuse; (c) evaluating AI strategies; and (d) developing, testing, and evaluating resources to support state oversight of AI;
7. review the protections for trade secrets and other proprietary information under existing state law and make recommendations on these protections;
8. make recommendations for the establishment and membership of a permanent AI advisory council; and
9. make other recommendations on AI as the working group deems appropriate.

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

Voting Members

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

Table: Working Group Voting Member Appointment and Qualifications

<i>Appointing Authority</i>	<i>Member Qualifications</i>
House speaker	Representative of industries developing AI
Senate president pro tempore	Representative of industries using AI
House majority leader	Academic with a concentration in the study of technology and technology policy
Senate majority leader	Academic with a concentration in the study of government and public policy

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

§ 18 — OPM AI POLICIES AND PROCEDURES

Allows OPM to develop and establish policies and procedures that govern user training for systems that employ AI and are used by state agencies

Under existing law, OPM must develop and establish policies and procedures on the development, procurement, implementation, utilization, and ongoing assessment of systems that employ AI and are used by state agencies.

The bill also allows OPM to develop and establish policies and procedures that govern user training for systems that employ AI and are used by state agencies. The OPM secretary, in his discretion, can revise these policies and procedures as needed. Under the bill, OPM must post the policies and provisions and any revisions on the office's website.

§ 19 — LAYOFF NOTICES

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

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

or another technological change.

EFFECTIVE DATE: October 1, 2025

§ 20 — REGIONAL EDUCATIONAL SERVICE CENTERS (RESC) AI LITERACY INITIATIVE

Requires each RESC to coordinate and provide an AI literacy initiative to each of its member boards of education for alliance district towns; the initiative must be integrated into the curriculum offered to students from kindergarten to grade eight

The bill requires each RESC to coordinate and provide an AI literacy initiative to each of its member boards of education for alliance district towns. The initiative must (1) include direct technical assistance, coaching, regional conferences, in-service training, and stipends for educators and (2) be integrated into the curriculum offered to students in grades kindergarten to eight and include an assured AI experience that is unique to each grade, such as pattern recognition, machine learning, and ethical use.

In developing its AI literacy initiative, a RESC must use any funds received for the initiative for curriculum adaptation, equipment and other materials, and hands-on learning kits that are grade-level appropriate for students and include data sorting games and storytelling around algorithms.

Any in-service training provided to educators under an AI literacy initiative must be offered according to state in-service training laws and include understanding age-appropriate AI concepts, codesigned literacy-infused learning experiences, and building local capacity and leadership.

Under the bill, each RESC must engage a part-time AI project coordinator to manage, track, and scale efforts to implement its AI literacy initiative. The project coordinator is responsible for collecting information from member boards of education participating in the literacy initiative to measure teacher learning and student impact under the initiative.

§ 21 — ANNUAL STATEWIDE EDUCATION CONFERENCE

Requires SDE, in collaboration with the RESC Alliance, to convene an annual statewide conference on AI literacy

The bill requires SDE, in collaboration with the RESC Alliance, to convene an annual statewide conference on AI literacy. The conference must include an opportunity to share exemplars of AI literacy, provide information on federal law and national frameworks relating to AI, and provide opportunities to build interdistrict learning networks for the integration and application of AI literacy initiatives (see above).

§ 22 — UNLAWFUL DISSEMINATION OF AN INTIMATE IMAGE

Establishes a new crime of unlawful dissemination of an intimate synthetically created image that is generally similar to the existing crime of unlawful dissemination of an intimate image; penalties vary based on (1) how the person distributed the image (including the number of recipients and how it was sent) and (2) whether the person intended to harm the victim

This bill establishes a new crime of unlawful dissemination of an intimate synthetically created image that is generally similar to the existing crime of unlawful dissemination of an intimate image.

As under the existing crime, the bill's new crime applies to the intentional dissemination of 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.

Under the bill, a "synthetically created image" can be a photograph, film, videotape, or another type of image of someone. It must (1) not be wholly recorded by a camera or (2) be generated, at least in part, by a computer system. It must depict an identifiable person and be virtually indistinguishable from what a reasonable person would believe to be an actual depiction of that person.

The bill's penalties vary based on (1) how the person distributed the image (including the number of recipients and how it was sent) and (2) whether the person intended to harm the victim (the person whose image is depicted) when acquiring or creating the image or having it created.

Also, as under the existing crime, the bill specifies that it does not

impose liability on certain service providers for content provided by someone else.

EFFECTIVE DATE: October 1, 2025

Under the bill, a person is guilty of this new crime when the:

1. person intentionally disseminates, by electronic or other means, an image of (a) certain body parts of another person (genitals, pubic area, or buttocks; or female breasts below the top of the nipple) without a fully opaque covering or (b) another person engaged in sexual intercourse;
2. person disseminates the image without the other person's consent;
3. person knows that the image is synthetically created but disseminates it intending for the viewer to be deceived into believing that it actually shows the other person; and
4. other person suffers harm because of the dissemination.

"Harm" includes subjecting the other person to hatred, contempt, ridicule, physical or financial injury, psychological harm, or serious emotional distress.

The bill includes enhanced penalties (see below) if the person, in taking these actions, acquired or created the image, or had it created, intending to harm the other person.

Exemptions

The bill does not apply if the person depicted in the image:

1. voluntarily exposed himself or herself, or engaged in sexual intercourse, in a public place or commercial setting, or
2. is not clearly identifiable, unless there is other personally identifying information associated or included with the image.

Penalties

As shown in the table below, the bill's penalties vary based on the offender's method of distribution and intent to harm the victim.

Table: Penalties Under the Bill

<i>Method of Distribution</i>	<i>Penalty (Based on Intent of Harm)</i>
The person gave or otherwise disseminated the image to someone by any means	The person intended to harm the victim when acquiring or creating the image or having it created: class A misdemeanor, punishable by up to 364 days in prison, a fine of up to \$2,000, or both Otherwise: class D misdemeanor, punishable by up to 30 days in prison, a fine of up to \$250, or both
The person gave or otherwise disseminated the image to multiple people using an interactive computer service (e.g., an internet access service), an information service (e.g., electronic publishing), or a telecommunications device	The person intended to harm the victim when acquiring or creating the image or having it created: class D felony, punishable by up to five years in prison, a fine of up to \$5,000, or both Otherwise: class C misdemeanor, punishable by up to three months in prison, a fine of up to \$500, or both

Service Providers' Protection From Liability

The bill specifies that it does not impose liability on certain service providers for content provided by another. This applies to interactive computer services, information services, and telecommunications services.

§§ 23 & 24 — CONNECTICUT DATA PRIVACY ACT (CTDPA)

Modifies the list of exempted entities and data and information under CTDPA

The CTDPA establishes a framework for controlling and processing personal data. The framework requires a controller (i.e. an individual or legal entity that determines the purpose and means of processing personal data) to limit the collection of personal data and establish security practices, among other things.

The bill removes nonprofit organizations and financial institutions or data subject to certain provisions of the federal Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et seq.) from current law's list of exempted entities, thus subjecting them to CTDPA requirements.

It also exempts the following from CTDPA:

1. candidate committees, national committees, party committees, or political committees;
2. insurers or their affiliates, fraternal benefit societies, insurance-support organizations, insurance agents, or insurance producers;
3. various banks, financial institutions (e.g., credit unions) or their affiliates or subsidiaries that (a) are only and directly engaged in financial activities described in federal banking law, (b) are regulated and examined by the banking department or an applicable federal banking regulatory agency, and (c) have established a program to comply with applicable federal or state personal data-related requirements; and
4. agents, broker-dealers, investment advisers, or investment adviser agents regulated by the banking department or the federal Securities and Exchange Commission.

Current law exempts certain information and data from CTDPA, including those related to protecting human subjects under certain federal Food and Drug Administration-related regulations. The bill specifies that this exemption only applies to personal data for these protection purposes.

The bill also exempts (1) financial institutions' customers' protected nonpublic personal information subject to the Gramm-Leach Bliley Act and (2) a covered entity's (see above) limited data set (i.e. protected health information that excludes specific identifiers) that are used, disclosed, and maintained for purposes such as research, public health, or health care operations (45 C.F.R. § 164.514(e)).

Lastly, the bill repeals sSB 1356 (§ 4), as amended by Senate "A," and passed by the Senate, which has substantially similar exemptions, except it removes covered entities or business associates, as defined under HIPAA regulations (e.g., health plans, health care clearinghouses, and health care providers) from current law's list of exempted entities.

EFFECTIVE DATE: February 1, 2026, except the repeal provision is

effective July 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 (File 419), § 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 (File 330), 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 1440 (File 740), favorably reported by the Judiciary Committee, has identical provisions establishing a new crime of unlawful dissemination of an intimate synthetically created image.

sSB 1484 (File 546), 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)

Judiciary Committee

Joint Favorable

Yea 28 Nay 11 (05/06/2025)

Appropriations Committee

Joint Favorable

Yea 37 Nay 11 (05/12/2025)