STATE OF CONNECTICUT

General Assembly | *Amendment*

January Session, 2025 | LCO No. **8188**

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Offered by:
SEN. MARONEY, 14th Dist.

To: Subst. Senate Bill No. **2**   File No. 603   Cal. No. 328

"AN ACT CONCERNING ARTIFICIAL INTELLIGENCE."

1   Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3   "Section 1. (NEW) (*Effective October 1, 2025*) For the purposes of this
4 section and sections 2 to 5, inclusive, of this act, unless the context
5 otherwise requires:

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

17   in fact open to the public, as set forth in Title II of the Civil Rights Act of

18   1964, 42 USC 2000a(e), as amended from time to time;

19   (2) "Artificial intelligence system" means any machine-based system

20   that (A) for any explicit or implicit objective, infers from the inputs such

21   system receives how to generate outputs, including, but not limited to,

22   content, decisions, predictions or recommendations, that can influence

23   physical or virtual environments, and (B) may vary in its level of

24   autonomy and adaptiveness after such system is deployed;

25   (3) "Consequential decision" means any decision or judgment that has

26   any material legal or similarly significant effect on the provision or

27   denial to any consumer of, or the cost or terms of, (A) any education

28   enrollment or education opportunity, (B) any employment or

29   employment opportunity, (C) any loan, financing or credit offered or

30   extended to a consumer for any personal, family or household purpose,

31   (D) any service provided by this state or any municipality in this state

32   to support the continuing operations of any state or municipal

33   government agency or to provide for the public health, safety or welfare,

34   including, but not limited to, any such service provided for the purposes

35   of Medicare, Medicaid, law enforcement, regulatory oversight, licensing

36   or permitting, (E) any health care services, (F) any housing, or (G) any

37   legal services;

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

39   (5) "Deploy" means to put a high-risk artificial intelligence system

40   into use;

41   (6) "Deployer" means any person doing business in this state that

42   deploys a high-risk artificial intelligence system in this state;

43   (7) "Developer" means any person doing business in this state that

44   develops, or intentionally and substantially modifies, an artificial

45   intelligence system;

46   (8) "High-risk artificial intelligence system" (A) means any artificial

47 intelligence system that, when deployed, makes, or is a substantial
48 factor in making, a consequential decision, and (B) unless the
49 technology, when deployed, makes, or is a substantial factor in making,
50 a consequential decision, does not include (i) any technology that (I)
51 performs any narrow procedural task that is limited in nature,
52 including, but not limited to, any technology that classifies incoming
53 documents into categories, is used to detect duplicate applications
54 among a large number of applications, categorizes documents based on
55 when such documents were received, renames files according to
56 standardized naming conventions or automates the extraction of
57 metadata for indexing, (II) improves a previously completed human
58 activity and is not a substantial factor in any decision resulting from
59 such human activity, including, but not limited to, any technology that
60 improves the language used in previously drafted documents, or (III)
61 detects preexisting decision-making patterns, or deviations from
62 preexisting decision-making patterns, following a previously completed
63 human assessment that such technology is not intended to influence or
64 replace without sufficient human review, including, but not limited to,
65 any technology that analyzes a particular decision-maker's preexisting
66 decisions or decision-making patterns and designates any decision as
67 potentially inconsistent or anomalous, (ii) any tool for filtering robocalls
68 or junk or spam electronic mail or messages, (iii) any spell-checking tool,
69 (iv) any calculator, (v) any Internet or computer network infrastructure
70 optimization, diagnostic or maintenance tool, including, but not limited
71 to, any domain name registration, web site hosting, content delivery,
72 web caching, network traffic management or system diagnostic tool, (vi)
73 any database, spreadsheet or similar tool that exclusively organizes data
74 that is already in the possession of the person using such database,
75 spreadsheet or similar tool, (vii) any technology that is used to perform,
76 assist or administer office support functions and other ancillary
77 business operations, including, but not limited to, any technology that
78 is used to order office supplies, manage meeting schedules or automate
79 inventory tracking, (viii) any fraud prevention system or tool that is
80 used to prevent, detect or respond to any unlawful and malicious
81 conduct or to comply with state and federal law, or (ix) any technology

82   that communicates with consumers in natural language for the purpose
83   of providing consumers with information, referrals, recommendations
84   or answers to questions, provided such technology is subject to an
85   acceptable use policy;

86   (9) "Intentional and substantial modification" (A) means any
87   deliberate material change made to an artificial intelligence system that
88   was not predetermined by a developer and materially increases the risk
89   of algorithmic discrimination, and (B) does not include any change
90   made to a high-risk artificial intelligence system, or the performance of
91   a high-risk artificial intelligence system, if (i) the high-risk artificial
92   intelligence system continues to learn after such high-risk artificial
93   intelligence system is (I) offered, sold, leased, licensed, given or
94   otherwise made available to a deployer, or (II) deployed, and (ii) such
95   change (I) is made to such high-risk artificial intelligence system as a
96   result of any learning described in subparagraph (B)(i) of this
97   subdivision, (II) was predetermined by the deployer, or the third party
98   contracted by the deployer, when such deployer or third party
99   completed the initial impact assessment of such high-risk artificial
100 intelligence system as set forth in subparagraph (B) of subdivision (2) of
101 subsection (a) of section 3 of this act, and (III) is included in the technical
102 documentation for such high-risk artificial intelligence system;

103 (10) "Person" means any individual, association, corporation, limited
104 liability company, partnership, trust or other legal entity;

105 (11) "Substantial factor" (A) means a factor that (i) assists in making a
106 consequential decision, (ii) is capable of altering the outcome of a
107 consequential decision, and (iii) is generated by an artificial intelligence
108 system, and (B) includes, but is not limited to, any use of an artificial
109 intelligence system to generate any content, decision, prediction or
110 recommendation concerning a consumer that is used as a basis to make
111 a consequential decision concerning the consumer; and

112 (12) "Trade secret" has the same meaning as provided in section 35-
113 51 of the general statutes.

114   Sec. 2. (NEW) (*Effective October 1, 2025*) (a) In any cause of action that
115   is founded in tort, brought under section 42-110g of the general statutes
116   and alleges that the use of a high-risk artificial intelligence system
117   resulted in algorithmic discrimination against consumers, the Superior
118   Court shall not assess punitive damages against a developer if:

119   (1) The algorithmic discrimination was not the result of any wanton,
120   wilful or grossly negligent act or omission of the developer, and:

121   (A) The developer was in full compliance with the guidance and
122   standards set forth in the then current version of (i) the "Artificial
123   Intelligence Risk Management Framework" published by the National
124   Institute of Standards and Technology, (ii) ISO or IEC 42001 of the
125   International Organization for Standardization, or (iii) a nationally or
126   internationally recognized risk management framework for artificial
127   intelligence systems, other than the guidance and standards specified in
128   subparagraphs (A)(i) and (A)(ii) of this subdivision, that imposed
129   requirements that were substantially equivalent to, and at least as
130   stringent as, the requirements set forth in the guidance and standards
131   specified in subparagraphs (A)(i) and (A)(ii) of this subdivision; or

132   (B) The developer, or a third party contracted by the developer, made
133   available to each deployer or other developer of the high-risk artificial
134   intelligence system, with respect to the activities the developer
135   performed in contributing to the development of such high-risk artificial
136   intelligence system:

137   (i) A general statement describing the intended uses, and the known
138   harmful or inappropriate uses, of such high-risk artificial intelligence
139   system;

140   (ii) Documentation disclosing (I) high-level summaries of the type of
141   data used to train such high-risk artificial intelligence system, (II) the
142   known or reasonably foreseeable limitations of such high-risk artificial
143   intelligence system, including, but not limited to, the known or
144   reasonably foreseeable risks of algorithmic discrimination arising from

145 the intended uses of such high-risk artificial intelligence system, (III) the
146 purpose of such high-risk artificial intelligence system, and (IV) the
147 intended benefits and uses of such high-risk artificial intelligence
148 system;

149   (iii) Any documentation in addition to the documentation described
150 in subparagraph (B)(ii) of this subdivision that was reasonably
151 necessary to assist such deployer or other developer to understand the
152 outputs, and monitor the performance, of such high-risk artificial
153 intelligence system; and

154   (iv) Documentation describing (I) how such high-risk artificial
155 intelligence system was evaluated for performance, and mitigation of
156 algorithmic discrimination, before such high-risk artificial intelligence
157 system was offered, sold, leased, licensed, given or otherwise made
158 available to such deployer, (II) the data governance measures used to
159 cover the training datasets and the measures used to examine the
160 suitability of data sources, possible biases and appropriate mitigation,
161 (III) the intended outputs of such high-risk artificial intelligence system,
162 (IV) the measures the developer had taken to mitigate any known or
163 reasonably foreseeable risks of algorithmic discrimination that might
164 arise from deployment of such high-risk artificial intelligence system,
165 and (V) how such high-risk artificial intelligence system was intended
166 to be used, based on known or reasonably foreseeable harmful or
167 inappropriate applications, and monitored by an individual when such
168 high-risk artificial intelligence system is used to make, or as a substantial
169 factor in making, a consequential decision;

170   (2) The developer, or a third party contracted by the developer, made
171 available to each deployer of the high-risk artificial intelligence system,
172 through artifacts such as system cards or other impact assessments, the
173 documentation and information necessary for such deployer, or a third
174 party contracted by such deployer, to complete an impact assessment as
175 set forth in subparagraph (B) of subdivision (2) of subsection (a) of
176 section 3 of this act;

177   (3) The developer, or a third party contracted by the developer, made
178   available, in a manner that was clear and readily available on such
179   developer's Internet web site or in a public use case inventory, a
180   statement summarizing:

181   (A) The types of high-risk artificial intelligence systems that such
182   developer (i) developed or intentionally and substantially modified, and
183   (ii) made available to a deployer or another developer; and

184   (B) How such developer would manage any known or reasonably
185   foreseeable risks of algorithmic discrimination that might arise from the
186   intended uses of the types of high-risk artificial intelligence systems
187   described in subparagraph (A) of this subdivision; and

188   (4) The developer, or a third party contracted by the developer,
189   updated the statement made available pursuant to subdivision (3) of
190   this subsection (A) as necessary to ensure that such statement remained
191   accurate, and (B) not later than ninety days after the developer
192   intentionally and substantially modified any high-risk artificial
193   intelligence system described in subparagraph (A) of subdivision (3) of
194   this subsection.

195   (b) Except as provided in subsection (a) of this section, nothing in this
196   section shall be construed to (1) preempt or otherwise affect any right,
197   claim, remedy, presumption or defense available at law or in equity, or
198   (2) limit the authority of the Attorney General or the Commissioner of
199   Consumer Protection to seek any relief available at law or in equity.

200   Sec. 3. (NEW) (*Effective October 1, 2025*) (a) In any cause of action that
201   is founded in tort, brought under section 42-110g of the general statutes
202   and alleges that the use of a high-risk artificial intelligence system
203   resulted in algorithmic discrimination against consumers, the Superior
204   Court shall not assess punitive damages against a deployer if the
205   algorithmic discrimination was not the result of any wanton, wilful or
206   grossly negligent act or omission of the deployer, and:

207   (1) The deployer was in full compliance with the guidance and

208 standards set forth in the then current version of (A) the "Artificial
209 Intelligence Risk Management Framework" published by the National
210 Institute of Standards and Technology, (B) ISO or IEC 42001 of the
211 International Organization for Standardization, or (C) a nationally or
212 internationally recognized risk management framework for artificial
213 intelligence systems, other than the guidance and standards specified in
214 subparagraphs (A) and (B) of this subdivision, that imposed
215 requirements that were substantially equivalent to, and at least as
216 stringent as, the requirements set forth in the guidance and standards
217 specified in subparagraphs (A) and (B) of this subdivision; or

218   (2) The deployer, or a third party contracted by the deployer:

219   (A) Implemented and maintained a risk management policy and
220 program to govern such deployer's deployment of the high-risk artificial
221 intelligence system, (i) which policy and program specified and
222 incorporated the principles, processes and personnel that the deployer
223 used to identify, document and mitigate any known or reasonably
224 foreseeable risks of algorithmic discrimination, and (ii) which policy
225 was the product of an iterative process, which program was an iterative
226 process and which policy and program were planned, implemented and
227 regularly and systematically reviewed and updated over the lifecycle of
228 such high-risk artificial intelligence system;

229   (B) Completed an impact assessment of the high-risk artificial
230 intelligence system (i) at least annually, and (ii) not later than ninety
231 days after an intentional and substantial modification to such high-risk
232 artificial intelligence system was made available;

233   (C) Included in each impact assessment completed as set forth in
234 subparagraph (B) of this subdivision, at a minimum and to the extent
235 reasonably known by, or available to, the deployer:

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

239   (ii) An analysis of whether the deployment of the high-risk artificial
240 intelligence system would pose any known or reasonably foreseeable
241 risks of algorithmic discrimination and, if so, the nature of such
242 algorithmic discrimination and the steps that would be taken to mitigate
243 such risks;

244   (iii) A description of the categories of data the high-risk artificial
245 intelligence system processed as inputs;

246   (iv) A description of the outputs such high-risk artificial intelligence
247 system produced;

248   (v) If the deployer used data to customize the high-risk artificial
249 intelligence system, an overview of the categories of data the deployer
250 used to customize such high-risk artificial intelligence system;

251   (vi) Any metrics used to evaluate the performance and known
252 limitations of the high-risk artificial intelligence system;

253   (vii) A high-level description of any transparency measures taken
254 concerning the high-risk artificial intelligence system, including, but not
255 limited to, any measures taken to disclose to a consumer that such high-
256 risk artificial intelligence system was in use when such high-risk
257 artificial intelligence system was in use; and

258   (viii) A high-level description of the post-deployment monitoring
259 and user safeguards provided concerning such high-risk artificial
260 intelligence system, including, but not limited to, the oversight, use and
261 learning process established by the deployer to address issues that arose
262 from deployment of such high-risk artificial intelligence system; and

263   (ix) In addition to the statement, analysis, descriptions, overview and
264 metrics set forth in subparagraphs (C)(i) to (C)(viii), inclusive, of this
265 subdivision, included in each impact assessment completed as set forth
266 in subparagraph (B) of this subdivision following an intentional and
267 substantial modification made to the high-risk artificial intelligence
268 system a high-level statement that disclosed the extent to which the

269 high-risk artificial intelligence system was used in a manner that was
270 consistent with, or varied from, the developer's intended uses of such
271 high-risk artificial intelligence system;

272 (D) Maintained the most recently completed impact assessment of the
273 high-risk artificial intelligence system, all records concerning each such
274 impact assessment and all prior impact assessments, if any, for a period
275 of at least three years following the final deployment of such high-risk
276 artificial intelligence system;

277 (E) Annually reviewed the deployment of each high-risk artificial
278 intelligence system deployed by the deployer to ensure that such high-
279 risk artificial intelligence system was not causing algorithmic
280 discrimination;

281 (F) Made available, in a manner that was clear and readily available
282 on such deployer's Internet web site, a statement summarizing:

283 (i) The types of high-risk artificial intelligence systems that were
284 deployed by such deployer;

285 (ii) How such deployer would manage any known or reasonably
286 foreseeable risks of algorithmic discrimination that might arise from
287 deployment of each high-risk artificial intelligence system described in
288 subparagraph (F)(i) of this subdivision;

289 (iii) In detail, the nature, source and extent of the information
290 collected and used by such deployer; and

291 (iv) How a consumer may exercise rights under section 42-518 of the
292 general statutes by the secure and reliable means established and
293 described pursuant to subsection (b) of section 42-518 of the general
294 statutes; and

295 (G) Periodically updated the statement made available pursuant to
296 subparagraph (F) of this subdivision.

297 (b) Except as provided in subsection (a) of this section, nothing in this

298   section shall be construed to (1) preempt or otherwise affect any right,
299   claim, remedy, presumption or defense available at law or in equity, or
300   (2) limit the authority of the Attorney General or the Commissioner of
301   Consumer Protection to seek any relief available at law or in equity.

302   Sec. 4. (NEW) (*Effective October 1, 2025*) (a) (1) Beginning on October
303   1, 2026, and except as provided in subdivision (2) of this subsection, each
304   person doing business in this state, including, but not limited to, each
305   deployer that deploys, offers, sells, leases, licenses, gives or otherwise
306   makes available, as applicable, any artificial intelligence system that is
307   intended to interact with consumers shall ensure that it is disclosed to
308   each consumer who interacts with such artificial intelligence system that
309   such consumer is interacting with an artificial intelligence system.

310   (2) No disclosure shall be required under subdivision (1) of this
311   subsection under circumstances in which a reasonable person would
312   deem it obvious that such person is interacting with an artificial
313   intelligence system.

314   (b) (1) Beginning on October 1, 2026, each deployer that intends to
315   deploy a high-risk artificial intelligence system to make, or be a
316   substantial factor in making, a consequential decision concerning a
317   consumer shall provide a notice to the consumer (A) disclosing that such
318   deployer intends to deploy the high-risk artificial intelligence system to
319   make, or be a substantial factor in making, the consequential decision,
320   (B) describing the high-risk artificial intelligence system and the
321   purpose of such high-risk artificial intelligence system, (C) describing
322   the nature of the consequential decision, (D) describing how the outputs
323   will be used to make, or as a substantial factor in making, the
324   consequential decision and disclosing whether a human will review
325   such outputs or such consequential decision before such consequential
326   decision is finalized, (E) disclosing the sources of the personal
327   information that was collected from such consumer and will be used to
328   make, or as a substantial factor in making, the consequential decision,
329   (F) disclosing information concerning such consumer's right, under
330   subparagraph (C) of subdivision (5) of subsection (a) of section 42-518

331   of the general statutes, to opt-out of the processing of such consumer's
332   personal data for the purposes set forth in said subparagraph, if
333   applicable, and (G) disclosing contact information for such deployer.

334   (2) Each deployer that is required to provide a notice to a consumer
335   pursuant to subdivision (1) of this subsection shall provide the notice
336   (A) directly to the consumer, (B) in plain language, (C) in all languages
337   in which such deployer, in the ordinary course of such deployer's
338   business, provides contracts, disclaimers, sales announcements and
339   other information to consumers, and (D) in a format that is accessible to
340   consumers with disabilities.

341   (c) (1) The provisions of subsections (a) and (b) of this section shall
342   not be construed to require any person to disclose any information that
343   is a trade secret or otherwise protected from disclosure under state or
344   federal law.

345   (2) If a person withholds any information from a consumer under
346   subdivision (1) of this subsection, the person shall send a notice to the
347   consumer disclosing (A) that such person is withholding such
348   information from such consumer, and (B) the basis for such person's
349   decision to withhold such information from such consumer.

350   (d) A violation of subsection (a) or (b) of this section shall constitute
351   an unfair trade practice under subsection (a) of section 42-110b of the
352   general statutes and shall be enforced solely by the Attorney General.
353   The provisions of section 42-110g of the general statutes shall not apply
354   to any such violation. Nothing in this section shall be construed to create
355   a private right of action.

356   Sec. 5. (NEW) (*Effective October 1, 2025*) Not later than January 1, 2026,
357   the Attorney General shall, within available appropriations, develop
358   and implement a comprehensive public education, outreach and
359   assistance program for developers and deployers that are small
360   businesses, as defined in section 4-168a of the general statutes. Such
361   program shall, at a minimum, disseminate educational materials

362   concerning (1) the provisions of sections 1 to 4, inclusive, of this act, (2)
363   the Attorney General's powers under section 4 of this act, and (3) any
364   other matters the Attorney General, in the Attorney General's discretion,
365   deems relevant for the purposes of such program.

366   Sec. 6. (NEW) (*Effective from passage*) (a) For the purposes of this
367   section, "legislative leader" has the same meaning as provided in
368   subsection (b) of section 4-9d of the general statutes.

369   (b) Each legislative leader may request that the executive director of
370   the Connecticut Academy of Science and Engineering designate a fellow
371   selected by said academy to serve as such legislative leader's liaison
372   with said academy, the office of the Attorney General and the
373   Department of Economic and Community Development for the purpose
374   of:

375   (1) Making recommendations concerning establishing a framework
376   to provide a controlled and supervised environment in which artificial
377   intelligence systems may be tested, which recommendations shall
378   include, at a minimum, recommendations concerning the establishment
379   of (A) an office to oversee such framework and environment, and (B) a
380   program that would enable consultations between the state, businesses
381   and other stakeholders concerning such framework and environment;

382   (2) Evaluating (A) the adoption of artificial intelligence systems by
383   businesses, (B) the challenges posed to, and needs of, businesses in (i)
384   adopting artificial intelligence systems, and (ii) understanding laws and
385   regulations concerning artificial intelligence systems, and (C) how
386   businesses that use artificial intelligence systems hire employees with
387   necessary skills concerning artificial intelligence systems;

388   (3) Creating a plan for the state to provide high-performance
389   computing services to businesses and researchers in the state;

390   (4) Evaluating the benefits of creating a state-wide research
391   collaborative among health care providers to enable the development of
392   advanced analytics, ethical and trustworthy artificial intelligence

393   systems and hands-on workforce education while using methods that
394   protect patient privacy;

395   (5) Evaluating, and making recommendations concerning, (A) the
396   establishment of testbeds to support safeguards and systems to prevent
397   the misuse of artificial intelligence systems, (B) risk assessments for the
398   misuse of artificial intelligence systems, (C) evaluation strategies for
399   artificial intelligence systems, and (D) the development, testing and
400   evaluation of resources to support state oversight of artificial
401   intelligence systems;

402   (6) Developing a plan to design or identify an algorithmic computer
403   model for the purpose of simulating and assessing various public policy
404   decisions or proposed public policy decisions and the actual or potential
405   effects of such decisions or proposed decisions; and

406   (7) Developing a plan to establish a technology transfer program (A)
407   for the purpose of supporting commercialization of new ideas and
408   research among public and private institutions of higher education in
409   this state, and (B) by working with (i) relevant public and private
410   organizations, including, but not limited to, the Department of
411   Economic and Community Development, and (ii) The University of
412   Connecticut and a state-wide consortium of public and private entities
413   in the state, including, but not limited to, public and private institutions
414   of higher education in the state, designed to advance the development,
415   application and impact of artificial intelligence across the state, to assess
416   whether The University of Connecticut can support technology
417   commercialization at other public and private institutions of higher
418   education in the state.

419   (c) No fellow of the Connecticut Academy of Science and Engineering
420   designated pursuant to subsection (b) of this section shall be deemed a
421   state employee, or receive any compensation from the state, for
422   performing such fellow's duties under said subsection.

423   (d) Not later than January 1, 2026, the fellows of the Connecticut

424   Academy of Science and Engineering designated pursuant to subsection
425   (b) of this section shall jointly submit a report, in accordance with the
426   provisions of section 11-4a of the general statutes, to the joint standing
427   committees of the General Assembly having cognizance of matters
428   relating to commerce and consumer protection.

429   Sec. 7. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

430   (1) "Active participant" means a developer or deployer participating
431   in the regulatory sandbox program offered by the institute pursuant to
432   this section;

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

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

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

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

441   (6) "Institute" means the Connecticut AI Safety Institute developed,
442   established and administered pursuant to this section; and

443   (7) "Person" has the same meaning as provided in section 1 of this act.

444   (b) The Attorney General shall enter into a contract with an outside
445   vendor to develop, establish and administer a "Connecticut AI Safety
446   Institute" for the purpose of offering services, including, but not limited
447   to, the provision of de-identified or synthetic data for testing, secure
448   data storage and access controls, representative and diverse data sets,
449   bias evaluation toolkits, isolated testing environments and a regulatory
450   sandbox program. The outside vendor shall:

451   (1) Be a state-wide consortium of public and private entities in the

452 state, including, but not limited to, public and private institutions of
453 higher education in the state, designed to advance the development,
454 application and impact of artificial intelligence across the state; and

455 (2) Annually submit a report, in accordance with the provisions of
456 section 11-4a of the general statutes, to the Attorney General and the
457 joint standing committees of the General Assembly having cognizance
458 of matters relating to consumer protection and commerce disclosing:

459 (A) The composition of the outside vendor's board;

460 (B) The resources available to the outside vendor to administer the
461 institute;

462 (C) The outside vendor's funding sources; and

463 (D) Whether the outside vendor has engaged representatives of civil
464 society to perform any evaluation or reporting functions.

465 (c) (1) The regulatory sandbox program shall serve as a pilot program
466 to facilitate the development, testing and deployment of innovative
467 artificial intelligence systems in the state. The program shall be designed
468 to (A) promote the safe and innovative use of artificial intelligence
469 systems across various sectors, including, but not limited to, education,
470 finance, health care and public service, (B) encourage the responsible
471 deployment of artificial intelligence systems while balancing the need
472 for consumer protection, privacy and public safety, and (C) provide
473 clear guidelines for active participants to test artificial intelligence
474 systems during the period set forth in subsection (e) of this section.

475 (2) The outside vendor shall submit a regulatory sandbox plan to the
476 Attorney General, in a form and manner prescribed by the Attorney
477 General, which plan shall include:

478 (A) The criteria the outside vendor shall use to determine whether (i)
479 to accept a developer or deployer as an active participant, and (ii) an
480 active participant has exercised heightened care, and adhered to pre-

481 deployment and post-deployment best practices and procedures, to
482 prevent the active participant's artificial intelligence system from
483 causing any personal injury, any property damage or the violation of
484 any right available under applicable law;

485 (B) The means by which the outside vendor shall ensure that any
486 active participant who is a developer shall disclose any risks, incident
487 reports and risk mitigation efforts to the institute;

488 (C) The scope of artificial intelligence systems that an active
489 participant may develop, test and deploy as part of the regulatory
490 sandbox program and, if any such artificial intelligence system is
491 updated, the technical threshold at which the outside vendor shall
492 require reapplication to participate in the regulatory sandbox program;

493 (D) A protocol to collect data from active participants for public
494 disclosure, which protocol shall address:

495 (i) The aggregation and tracking of evaluation data from certified
496 laboratories;

497 (ii) The categories of metadata that shall be aggregated and tracked;
498 and

499 (iii) The measures the outside vendor shall take to protect trade
500 secrets and mitigate any risk of violating state or federal antitrust law
501 due to information sharing;

502 (E) If the outside vendor intends to use one or more third parties to
503 provide audit or certification services for artificial intelligence systems
504 or active participants, how the outside vendor will ensure that such
505 third parties exercise heightened care and adhere to best practices to
506 accurately evaluate artificial intelligence systems or active participants;

507 (F) The proposed implementation and enforcement of whistleblower
508 protections for active participants;

509 (G) Required remediation by active participants following

510   noncompliance;

511   (H) An approach to reporting of societal risks and benefits identified
512   through auditing; and

513   (I) An approach to interfacing effectively with federal authorities and
514   authorities of other states.

515   (3) The regulatory sandbox plan submitted to the Attorney General
516   pursuant to subdivision (2) of this subsection may be tailored to a
517   particular artificial intelligence market segment.

518   (4) The institute shall not accept any application under subdivision
519   (1) of subsection (d) of this section unless (A) the Attorney General has
520   approved the regulatory sandbox plan the outside vendor submitted to
521   the Attorney General pursuant to subdivision (2) of this subsection, and
522   (B) the institute has established risk management and reporting
523   requirements for active participants.

524   (d) (1) A developer or deployer seeking to participate in the
525   regulatory sandbox program shall submit an application to the institute
526   in a form and manner prescribed by the institute. Each application shall
527   include (A) a detailed description of the applicant's artificial intelligence
528   system and its intended uses, (B) a risk assessment that addresses the
529   potential impact of the applicant's artificial intelligence system on
530   consumers, privacy and public safety, (C) a plan for mitigating any
531   adverse consequences that may arise from the applicant's artificial
532   intelligence system during the period set forth in subsection (e) of this
533   section, (D) proof that the applicant and the applicant's artificial
534   intelligence system are in compliance with all applicable federal laws
535   and regulations concerning artificial intelligence systems, and (E) any
536   other information the institute deems relevant for the purposes of this
537   section or the regulatory sandbox program.

538   (2) Not later than thirty days after the institute receives an application
539   submitted pursuant to subdivision (1) of this subsection, the institute
540   shall (A) approve or deny the application, and (B) send a notice to the

541   applicant, in a form and manner prescribed by the institute, disclosing
542   whether the institute has approved or denied such application.

543   (e) An active participant may test the active participant's artificial
544   intelligence system as part of the regulatory sandbox program for a
545   period not to exceed twelve consecutive months from the date on which
546   the institute sent notice approving the active participant's application
547   pursuant to subdivision (2) of subsection (d) of this section, except the
548   institute may extend such period, for good cause shown, for an
549   additional period not to exceed six consecutive months in duration.

550   (f) For the calendar quarter ending December 31, 2025, and for each
551   calendar quarter thereafter, each active participant shall, not later than
552   thirty days after the end of such calendar quarter, submit a report to the
553   institute disclosing (1) system performance metrics for such active
554   participant's artificial intelligence system, (2) information concerning
555   the manner in which such active participant's artificial intelligence
556   system mitigated any risks associated with such artificial intelligence
557   system, and (3) any feedback such active participant received from
558   deployers, consumers and other users of such artificial intelligence
559   system.

560   (g) Not later than January 31, 2026, and annually thereafter, the
561   institute shall submit a report, in accordance with the provisions of
562   section 11-4a of the general statutes, to the joint standing committees of
563   the General Assembly having cognizance of matters relating to
564   consumer protection and commerce. Each report shall disclose (1) the
565   number of developers or deployers who were active participants for the
566   calendar year that is the subject of such report or any portion of such
567   calendar year, (2) the overall performance and impact of the artificial
568   intelligence systems that were tested as part of the regulatory sandbox
569   program, and (3) any recommendations regarding the adoption of
570   legislation for the purposes of the regulatory sandbox program.

571   Sec. 8. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

572   (1) "Artificial intelligence" means artificial intelligence system, as

573   defined in section 1 of this act; and

574   (2) "Institute" has the same meaning as provided in section 7 of this

575   act.

576   (b) The Attorney General shall (1) designate one or more employees

577   of the office of the Attorney General to (A) enforce the laws of this state

578   concerning artificial intelligence, and (B) make recommendations to the

579   joint standing committee of the General Assembly having cognizance of

580   matters relating to consumer protection regarding such laws and the

581   regulation of artificial intelligence, and (2) designate an employee of

582   said office to (A) serve as said office's primary contact for the

583   Connecticut AI Safety Institute developed, established and

584   administered pursuant to this section 7 of this act, and (B) render

585   assistance to the institute in contacting relevant organizations and

586   approving regulatory relief agreements.

587   Sec. 9. (*Effective from passage*) (a) As used in this section:

588   (1) "Active participant" has the same meaning as provided in section

589   7 of this act; and

590   (2) "Artificial intelligence system" has the same meaning as provided

591   in section 1 of this act.

592   (b) Not later than February 1, 2026, the Attorney General, in

593   consultation with the outside vendor described in subsection (b) of

594   section 7 of this act, shall submit a report, in accordance with the

595   provisions of section 11-4a of the general statutes, to the joint standing

596   committee of the General Assembly having cognizance of matters

597   relating to consumer protection. Such report shall include

598   recommendations regarding:

599   (1) A reduction in licensure, regulatory or other legal requirements to

600   be offered to active participants;

601   (2) The establishment of maximum penalties for active participants;

602   (3) The duration of cure periods to be provided to active participants;

603   (4) The establishment of safe harbors for negotiated rules and
604   standards and a process to approve such rules and standards;

605   (5) The establishment of one or more methods to provide regulatory
606   certainty to active participants through tailored mitigation agreements;
607   and

608   (6) Any other matter the Attorney General, in consultation with the
609   outside vendor, deems necessary to facilitate and encourage innovation
610   in the responsible development of artificial intelligence systems in this
611   state.

612   Sec. 10. (NEW) (*Effective July 1, 2025*) (a) As used in this section,
613   "artificial intelligence" means artificial intelligence system, as defined in
614   section 1 of this act.

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

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

623   (2) Promote digital literacy;

624   (3) Prepare students for careers in fields involving artificial
625   intelligence;

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

628   (5) Offer courses that prepare small businesses and nonprofit
629 organizations to utilize artificial intelligence to improve marketing and
630 management efficiency;

631   (6) Develop courses concerning artificial intelligence that the Labor
632 Department and Workforce Investment Boards may incorporate into
633 workforce training programs;

634   (7) Develop and offer courses for primary and secondary school
635 teachers (A) concerning the appropriate use of artificial intelligence in
636 primary and secondary school classrooms, (B) instructing such teachers
637 how to use artificial intelligence, and (C) informing teachers how to
638 instruct primary and secondary school students in the use of artificial
639 intelligence; and

640   (8) Enable persons providing free or discounted public Internet
641 access to distribute information and provide mentorship concerning
642 artificial intelligence, the academy and methods available for the public
643 to obtain free or discounted devices capable of accessing the Internet
644 and utilizing artificial intelligence.

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

649   Sec. 11. (NEW) (*Effective January 1, 2026*) The Labor Department shall
650 provide a notice, in a form and manner prescribed by the Labor
651 Commissioner, to each individual who makes a claim for
652 unemployment compensation disclosing the existence of, and courses
653 and services offered by, the Connecticut AI Academy established
654 pursuant to section 10 of this act.

655   Sec. 12. (NEW) (*Effective January 1, 2026*) The Secretary of the State,
656 within available appropriations and in collaboration with Charter Oak
657 State College, shall utilize the means by which the office of the Secretary
658 of the State communicates with small business to disseminate

659 information concerning the courses offered by the Connecticut AI
660 Academy, established pursuant to section 10 of this act, that prepare
661 small businesses to utilize artificial intelligence to improve marketing
662 and management efficiency. As used in this section, "artificial
663 intelligence" means artificial intelligence system, as defined in section 1
664 of this act.

665 Sec. 13. (NEW) (*Effective January 1, 2026*) The Department of Housing,
666 within available appropriations, shall work with housing authorities
667 and other relevant housing providers to ensure that residents are aware
668 of the courses and services offered by the Connecticut AI Academy
669 established pursuant to section 10 of this act.

670 Sec. 14. Subsection (b) of section 17b-751b of the general statutes is
671 repealed and the following is substituted in lieu thereof (*Effective January*
672 *1, 2026*):

673 (b) The commissioner shall: (1) Ensure that all home visiting
674 programs (A) are one or more of the evidence-based home visiting
675 models that meet the criteria for evidence of effectiveness developed by
676 the federal Department of Health and Human Services, and (B) provide
677 information to parents regarding the Connecticut AI Academy
678 established pursuant to section 10 of this act; (2) provide oversight of
679 home visiting programs to insure model fidelity; and (3) develop, issue
680 and evaluate requests for proposals to procure the services required by
681 this section. In evaluating the proposals, the commissioner shall take
682 into consideration the most effective and consistent service delivery
683 system allowing for the continuation of current public and private
684 programs.

685 Sec. 15. (NEW) (*Effective July 1, 2025*) (a) As used in this section,
686 "artificial intelligence" means artificial intelligence system, as defined in
687 section 1 of this act.

688 (b) There is established, within available appropriations, a
689 Connecticut Technology Advisory Board, which shall be part of the

690   Legislative Department.

691   (c) (1) The board shall consist of the following voting members: (A)
692   Two appointed by the speaker of the House of Representatives; (B) two
693   appointed by the president pro tempore of the Senate; (C) two
694   appointed by the minority leader of the House of Representatives; and
695   (D) two appointed by the minority leader of the Senate. All voting
696   members shall have professional experience or academic qualifications
697   in the field of artificial intelligence or the field of technology, or another
698   related field, and no such member shall be a member of the General
699   Assembly.

700   (2) The following persons or their designees shall serve as nonvoting
701   members and chairpersons of the board: (A) The Commissioner of
702   Economic and Community Development, or the commissioner's
703   designee; (B) the executive director of the Connecticut Academy of
704   Science and Engineering, or the executive director's designee; (C) the
705   president of Charter Oak State College, or the president's designee; and
706   (D) one appointed by the majority leader of the Senate, who shall be a
707   representative of a state-wide consortium of public and private entities
708   in the state, including, but not limited to, public and private institutions
709   of higher education in the state, designed to advance the development,
710   application and impact of artificial intelligence across the state.

711   (3) All initial appointments to the board shall be made not later than
712   October 1, 2025. The term of an appointed member shall be coterminous
713   with the term of the appointing authority for the appointed member.
714   Any vacancy shall be filled by the appointing authority. Any vacancy
715   occurring other than by expiration of a term shall be filled for the
716   balance of the unexpired term. A member of the board may serve more
717   than one term. The chairpersons shall schedule the first meeting of the
718   board, which shall be held not later than November 1, 2025.

719   (d) The administrative staff of the joint standing committees of the
720   General Assembly having cognizance of matters relating to consumer
721   protection and government administration shall serve as administrative

722   staff of the board.

723   (e) The board shall have the following powers and duties: (1) To
724 develop and adopt a state technology strategy (A) for the purpose of
725 promoting education, workforce development, economic development
726 and consumer protection, and (B) that accounts for the rapid pace of
727 technological development, including, but not limited to, in the field of
728 artificial intelligence; (2) to update the state technology strategy
729 developed and adopted pursuant to subdivision (1) of this subsection at
730 least once every two years; (3) to issue reports and recommendations in
731 accordance with the provisions of section 11-4a of the general statutes;
732 (4) upon the vote of a majority of the voting members of the board, to
733 request any state agency data officer or state agency head to (A) appear
734 before the board to answer questions, or (B) provide such assistance and
735 data as may be necessary for the purpose of enabling the board to
736 perform its duties; (5) to make recommendations to the Legislative
737 Department, Executive Department or Judicial Department in
738 accordance with the state technology strategy; and (6) to establish
739 bylaws to govern the board's procedures.

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

743   Sec. 16. Section 10-21*l* of the general statutes is repealed and the
744 following is substituted in lieu thereof (*Effective July 1, 2025*):

745   There is established an account to be known as the **[**"computer science
746 education account"**]** "computer science education and workforce
747 development account", which shall be a separate, nonlapsing account
748 within the General Fund. The account shall contain any moneys
749 required or permitted by law to be deposited in the account and any
750 funds received from any public or private contributions, gifts, grants,
751 donations, bequests or devises to the account. The Department of
752 Education may make expenditures from the account (1) to support
753 curriculum development, teacher professional development, capacity

754 development for school districts **[,]** and other programs for the purposes
755 of supporting computer science education, and (2) in coordination with
756 the Office of Workforce Strategy and the Board of Regents for Higher
757 Education for the purpose of supporting workforce development
758 initiatives in accordance with the state technology strategy adopted
759 pursuant to subsection (e) of section 15 of this act.

760   Sec. 17. Section 32-7p of the general statutes is repealed and the
761 following is substituted in lieu thereof (*Effective July 1, 2025*):

762   (a) As used in this section:

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

765   (2) "Generative artificial intelligence" means any form of artificial
766 intelligence, including, but not limited to, a foundation model, that is
767 able to produce synthetic digital content;

768   (3) "Prompt engineering" means the process of guiding generative
769 artificial intelligence to generate a desired output; and

770   (4) "Synthetic digital content" means any digital content, including,
771 but not limited to, any audio, image, text or video, that is produced or
772 manipulated by any form of artificial intelligence, including, but not
773 limited to, generative artificial intelligence.

774   **[**(a)**]** (b) There shall be a Technology Talent and Innovation Fund
775 Advisory Committee within the Department of Economic and
776 Community Development. Such committee shall consist of members
777 appointed by the Commissioner of Economic and Community
778 Development, including, but not limited to, representatives of The
779 University of Connecticut, the Board of Regents for Higher Education,
780 independent institutions of higher education, the Office of Workforce
781 Strategy and private industry. Such members shall be subject to term
782 limits prescribed by the commissioner. Each member shall hold office
783 until a successor is appointed.

784   **[**(b)**]** <u>(c)</u> The commissioner shall call the first meeting of the advisory
785   committee not later than October 15, 2016. The advisory committee shall
786   meet not less than quarterly thereafter and at such other times as the
787   chairperson deems necessary. The Technology Talent <u>and Innovation</u>
788   <u>Fund</u> Advisory Committee shall designate the chairperson of the
789   committee from among its members.

790   **[**(c)**]** <u>(d)</u> No member of the advisory committee shall receive
791   compensation for such member's service, except that each member shall
792   be entitled to reimbursement for actual and necessary expenses incurred
793   during the performance of such member's official duties.

794   **[**(d)**]** <u>(e)</u> A majority of members of the advisory committee shall
795   constitute a quorum for the transaction of any business or the exercise
796   of any power of the advisory committee. The advisory committee may
797   act by a majority of the members present at any meeting at which a
798   quorum is in attendance, for the transaction of any business or the
799   exercise of any power of the advisory committee, except as otherwise
800   provided in this section.

801   **[**(e)**]** <u>(f)</u> Notwithstanding any provision of the general statutes, it shall
802   not constitute a conflict of interest for a trustee, director, partner or
803   officer of any person, firm or corporation, or any individual having a
804   financial interest in a person, firm or corporation, to serve as a member
805   of the advisory committee, provided such trustee, director, partner,
806   officer or individual complies with all applicable provisions of chapter
807   10. All members of the advisory committee shall be deemed public
808   officials and shall adhere to the code of ethics for public officials set forth
809   in chapter 10, except that no member shall be required to file a statement
810   of financial interest as described in section 1-83.

811   **[**(f) The Technology Talent Advisory Committee shall, in the
812   following order of priority, (1) calculate the number of software
813   developers and other persons (A) employed in technology-based fields
814   where there is a shortage of qualified employees in this state for
815   businesses to hire, including, but not limited to, data mining, data

816 analysis and cybersecurity, and (B) employed by businesses located in
817 Connecticut as of December 31, 2016; (2) develop pilot programs to
818 recruit software developers to Connecticut and train residents of the
819 state in software development and such other technology fields, with
820 the goal of increasing the number of software developers and persons
821 employed in such other technology fields residing in Connecticut and
822 employed by businesses in Connecticut by at least double the number
823 calculated pursuant to subdivision (1) of this subsection by January 1,
824 2026; and (3) identify other technology industries where there is a
825 shortage of qualified employees in this state for growth stage businesses
826 to hire.**]**

827 (g) The Technology Talent <u>and Innovation Fund</u> Advisory
828 Committee may <u>partner with institutions of higher education and other</u>
829 <u>nonprofit organizations to</u> develop **[**pilot**]** programs **[**for (1) marketing
830 and publicity campaigns designed to recruit technology talent to the
831 state; (2) student loan deferral or forgiveness for students who start
832 businesses in the state; and (3) training, apprenticeship and gap-year
833 initiatives**]** <u>to expand the technology talent pipeline in the state,</u>
834 <u>including, but not limited to, in the fields of artificial intelligence and</u>
835 <u>quantum computing</u>.

836 **[**(h) The Technology Talent Advisory Committee shall report, in
837 accordance with the provisions of section 11-4a, and present such report
838 to the joint standing committees of the General Assembly having
839 cognizance of matters relating to commerce, education, higher
840 education and finance, revenue and bonding on or before January 1,
841 2017, concerning the (1) pilot programs developed pursuant to
842 subsections (f) and (g) of this section, (2) number of software developers
843 and persons employed in technology-based fields described in
844 subsection (f) of this section targeted for recruitment pursuant to
845 subsection (f) of this section, and (3) timeline and measures for reaching
846 the recruitment target.**]**

847 <u>(h) Not later than July 1, 2026, the Technology Talent and Innovation</u>
848 <u>Fund Advisory Committee shall partner with public and private</u>

849 institutions of higher education in the state and other training providers
850 to develop programs in the field of artificial intelligence, including, but
851 not limited to, in areas such as prompt engineering, artificial intelligence
852 marketing for small businesses and artificial intelligence for small
853 business operations.

854 Sec. 18. Subsection (b) of section 32-235 of the general statutes is
855 repealed and the following is substituted in lieu thereof (*Effective July 1,*
856 *2025*):

857 (b) The proceeds of the sale of said bonds, to the extent of the amount
858 stated in subsection (a) of this section, shall be used by the Department
859 of Economic and Community Development (1) for the purposes of
860 sections 32-220 to 32-234, inclusive, including economic cluster-related
861 programs and activities, and for the Connecticut job training finance
862 demonstration program pursuant to sections 32-23uu and 32-23vv,
863 provided (A) three million dollars shall be used by said department
864 solely for the purposes of section 32-23uu, (B) not less than one million
865 dollars shall be used for an educational technology grant to the
866 deployment center program and the nonprofit business consortium
867 deployment center approved pursuant to section 32-41*l*, (C) not less
868 than two million dollars shall be used by said department for the
869 establishment of a pilot program to make grants to businesses in
870 designated areas of the state for construction, renovation or
871 improvement of small manufacturing facilities, provided such grants
872 are matched by the business, a municipality or another financing entity.
873 The Commissioner of Economic and Community Development shall
874 designate areas of the state where manufacturing is a substantial part of
875 the local economy and shall make grants under such pilot program
876 which are likely to produce a significant economic development benefit
877 for the designated area, (D) five million dollars may be used by said
878 department for the manufacturing competitiveness grants program, (E)
879 one million dollars shall be used by said department for the purpose of
880 a grant to the Connecticut Center for Advanced Technology, for the
881 purposes of subdivision (5) of subsection (a) of section 32-7f, (F) fifty

882   million dollars shall be used by said department for the purpose of
883   grants to the United States Department of the Navy, the United States
884   Department of Defense or eligible applicants for projects related to the
885   enhancement of infrastructure for long-term, on-going naval operations
886   at the United States Naval Submarine Base-New London, located in
887   Groton, which will increase the military value of said base. Such projects
888   shall not be subject to the provisions of sections 4a-60 and 4a-60a, (G)
889   two million dollars shall be used by said department for the purpose of
890   a grant to the Connecticut Center for Advanced Technology, Inc., for
891   manufacturing initiatives, including aerospace and defense, and (H)
892   four million dollars shall be used by said department for the purpose of
893   a grant to companies adversely impacted by the construction at the
894   Quinnipiac Bridge, where such grant may be used to offset the increase
895   in costs of commercial overland transportation of goods or materials
896   brought to the port of New Haven by ship or vessel, (2) for the purposes
897   of the small business assistance program established pursuant to section
898   32-9yy, provided fifteen million dollars shall be deposited in the small
899   business assistance account established pursuant to said section 32-9yy,
900   (3) to deposit twenty million dollars in the small business express
901   assistance account established pursuant to section 32-7h, (4) to deposit
902   four million nine hundred thousand dollars per year in each of the fiscal
903   years ending June 30, 2017, to June 30, 2019, inclusive, and June 30, 2021,
904   and nine million nine hundred thousand dollars in the fiscal year ending
905   June 30, 2020, in the CTNext Fund established pursuant to section 32-
906   39i, which shall be used by the Department of Economic and
907   Community Development to provide grants-in-aid to designated
908   innovation places, as defined in section 32-39f, planning grants-in-aid
909   pursuant to section 32-39*l*, and grants-in-aid for projects that network
910   innovation places pursuant to subsection (b) of section 32-39m,
911   provided not more than three million dollars be used for grants-in-aid
912   for such projects, and further provided any portion of any such deposit
913   that remains unexpended in a fiscal year subsequent to the date of such
914   deposit may be used by the Department of Economic and Community
915   Development for any purpose described in subsection (e) of section 32-
916   39i, (5) to deposit two million dollars per year in each of the fiscal years

917   ending June 30, 2019, to June 30, 2021, inclusive, in the CTNext Fund
918   established pursuant to section 32-39i, which shall be used by the
919   Department of Economic and Community Development for the purpose
920   of providing higher education entrepreneurship grants-in-aid pursuant
921   to section 32-39g, provided any portion of any such deposit that remains
922   unexpended in a fiscal year subsequent to the date of such deposit may
923   be used by the Department of Economic and Community Development
924   for any purpose described in subsection (e) of section 32-39i, (6) for the
925   purpose of funding the costs of the Technology Talent and Innovation
926   Fund Advisory Committee established pursuant to section 32-7p, as
927   amended by this act, provided not more than ten million dollars may be
928   used on or after July 1, 2023, for such purpose, (7) to provide (A) a grant-
929   in-aid to the Connecticut Supplier Connection in an amount equal to
930   two hundred fifty thousand dollars in each of the fiscal years ending
931   June 30, 2017, to June 30, 2021, inclusive, and (B) a grant-in-aid to the
932   Connecticut Procurement Technical Assistance Program in an amount
933   equal to three hundred thousand dollars in each of the fiscal years
934   ending June 30, 2017, to June 30, 2021, inclusive, (8) to deposit four
935   hundred fifty thousand dollars per year, in each of the fiscal years
936   ending June 30, 2017, to June 30, 2021, inclusive, in the CTNext Fund
937   established pursuant to section 32-39i, which shall be used by the
938   Department of Economic and Community Development to provide
939   growth grants-in-aid pursuant to section 32-39g, provided any portion
940   of any such deposit that remains unexpended in a fiscal year subsequent
941   to the date of such deposit may be used by the Department of Economic
942   and Community Development for any purpose described in subsection
943   (e) of section 32-39i, (9) to transfer fifty million dollars to the Labor
944   Department which shall be used by said department for the purpose of
945   funding workforce pipeline programs selected pursuant to section 31-
946   11rr, provided, notwithstanding the provisions of section 31-11rr, (A)
947   not less than five million dollars shall be provided to the workforce
948   development board in Bridgeport serving the southwest region, for
949   purposes of such program, and the board shall distribute such money
950   in proportion to population and need, and (B) not less than five million
951   dollars shall be provided to the workforce development board in

952   Hartford serving the north central region, for purposes of such program,
953   (10) to transfer twenty million dollars to Connecticut Innovations,
954   Incorporated, provided ten million dollars shall be used by Connecticut
955   Innovations, Incorporated for the purpose of the proof of concept fund
956   established pursuant to subsection (b) of section 32-39x and ten million
957   dollars shall be used by Connecticut Innovations, Incorporated for the
958   purpose of the venture capital fund program established pursuant to
959   section 32-41oo, (11) to provide a grant to The University of Connecticut
960   of eight million dollars for the establishment, development and
961   operation of a center for sustainable aviation pursuant to subsection (a)
962   of section 10a-110o, and (12) for up to twenty million dollars in
963   investments in federally designated opportunity zones through an
964   impact investment firm including, subject to the approval of the
965   Governor, funding from the Economic Assistance Revolving Fund,
966   established pursuant to section 32-231.

967   Sec. 19. (*Effective July 1, 2025*) (a) As used in this section:

968   (1) "Generative artificial intelligence" has the same meaning as
969   provided in section 32-7p of the general statutes, as amended by this act;
970   and

971   (2) "State agency" means any department, board, council,
972   commission, institution or other executive branch agency of state
973   government, including, but not limited to, each constituent unit and
974   each public institution of higher education.

975   (b) Each state agency, in consultation with the employees of such
976   state agency and relevant experts, (1) shall conduct a study to determine
977   whether generative artificial intelligence may be utilized to improve
978   such state agency's processes and create efficiencies within such state
979   agency, and (2) may, based on the results of such study, develop and
980   propose one or more generative artificial intelligence pilot projects (A)
981   for inclusion in the information and telecommunication systems
982   strategic plan developed under section 4d-7 of the general statutes, (B)
983   for the purpose of (i) improving residents' access to, and experience

984   with, government services provided by such state agency, (ii) assisting
985   the employees of such state agency in the performance of their duties,
986   or (iii) positively impacting any other relevant domain, and (C) to
987   measure any improvement, assistance or impact described in
988   subparagraph (B) of this subdivision.

989   (c) Each state agency shall submit the results of the study conducted
990   pursuant to subsection (b) of this section, and any proposed generative
991   artificial intelligence pilot project developed pursuant to said
992   subsection, to the Department of Administrative Services. The
993   Commissioner of Administrative Services shall assess any proposed
994   generative artificial intelligence pilot project in accordance with the
995   provisions of section 4a-2e of the general statutes, and may disapprove
996   any such project that fails such assessment or requires additional
997   legislation in order to implement such project.

998   (d) The Commissioner of Administrative Services shall submit to the
999   Secretary of the Office of Policy and Management a report including a
1000 summary of all pilot projects approved by the commissioner under this
1001 section and any recommendations for legislation necessary to
1002 implement any additional pilot projects under this section. The
1003 Secretary of the Office of Policy and Management shall include such
1004 summary and recommendations in said secretary's report to the
1005 Governor and the General Assembly under subsection (e) of section 4d-
1006 7 of the general statutes.

1007 Sec. 20. (NEW) (*Effective July 1, 2025*) (a) As used in this section:

1008 (1) "Artificial intelligence" means artificial intelligence system, as
1009 defined in section 1 of this act; and

1010 (2) "Generative artificial intelligence" has the same meaning as
1011 provided in section 32-7p of the general statutes, as amended by this act.

1012 (b) The Office of Legislative Management may, within available
1013 appropriations, (1) work with the legislative caucuses and legislative
1014 offices to develop a process to solicit ideas for one or more generative

1015 artificial intelligence pilot programs for the purpose of (A) improving
1016 residents' experience with, and access to, such caucuses and offices, and
1017 (B) supporting employees of the legislative branch in the performance
1018 of their duties, and (2) work with organizations that support technology
1019 fellowships to establish a technology fellowship program to assist the
1020 legislative branch in implementing the pilot programs described in
1021 subdivision (1) of this subsection.

1022   Sec. 21. (*Effective July 1, 2025*) (a) For the purposes of this section:

1023   (1) "Artificial intelligence" means artificial intelligence system, as
1024 defined in section 1 of this act;

1025   (2) "General-purpose artificial intelligence model" (A) means a model
1026 used by any form of artificial intelligence that (i) displays significant
1027 generality, (ii) is capable of competently performing a wide range of
1028 distinct tasks, and (iii) can be integrated into a variety of downstream
1029 applications or systems, and (B) does not include any artificial
1030 intelligence model that is used for development, prototyping and
1031 research activities before such artificial intelligence model is released on
1032 the market; and

1033   (3) "Synthetic digital content" has the same meaning as provided in
1034 section 32-7p of the general statutes, as amended by this act.

1035   (b) There is established a working group to engage stakeholders and
1036 experts to:

1037   (1) Make recommendations concerning:

1038   (A) The best practices to avoid the negative impacts, and to maximize
1039 the positive impacts, on services and state employees in connection with
1040 the implementation of new digital technologies and artificial
1041 intelligence;

1042   (B) The collection of reports, recommendations and plans from state
1043 agencies considering the implementation of artificial intelligence, and

1044   the assessment of such reports, recommendations and plans against the

1045   best practices described in subparagraph (A) of this subdivision; and

1046   (C) Any other matters which the working group may deem relevant

1047   for the purposes of avoiding the negative impacts, and maximizing the

1048   positive impacts, described in subparagraph (A) of this subdivision;

1049   (2) Make recommendations concerning methods to create resources

1050   for the purpose of assisting small businesses to adopt artificial

1051   intelligence to improve their efficiency and operations;

1052   (3) Propose legislation to (A) regulate the use of general-purpose

1053   artificial intelligence models, and (B) require social media platforms to

1054   provide a signal when such social media platforms are displaying

1055   synthetic digital content;

1056   (4) After reviewing the laws and regulations, and any proposed

1057   legislation or regulations, of other states concerning artificial

1058   intelligence, propose legislation concerning artificial intelligence;

1059   (5) Develop an outreach plan for the purpose of bridging the digital

1060   divide and providing workforce training to persons who do not have

1061   high-speed Internet access;

1062   (6) Evaluate and make recommendations concerning:

1063   (A) The establishment of testbeds to support safeguards and systems

1064   to prevent the misuse of artificial intelligence;

1065   (B) Risk assessments for the misuse of artificial intelligence;

1066   (C) Evaluation strategies for artificial intelligence; and

1067   (D) The development, testing and evaluation of resources to support

1068   state oversight of artificial intelligence;

1069   (7) Review the protections afforded to trade secrets and other

1070   proprietary information under existing state law and make

1071   recommendations concerning such protections;

1072   (8) Make recommendations concerning the establishment and
1073   membership of a permanent artificial intelligence advisory council; and

1074   (9) Make such other recommendations concerning artificial
1075   intelligence which the working group may deem appropriate.

1076   (c) (1) (A) The working group shall be part of the Legislative
1077   Department and consist of the following voting members: (i) One
1078   appointed by the speaker of the House of Representatives, who shall be
1079   a representative of the industries that are developing artificial
1080   intelligence; (ii) one appointed by the president pro tempore of the
1081   Senate, who shall be a representative of the industries that are using
1082   artificial intelligence; (iii) one appointed by the majority leader of the
1083   House of Representatives, who shall be an academic with a
1084   concentration in the study of technology and technology policy; (iv) one
1085   appointed by the majority leader of the Senate, who shall be an academic
1086   with a concentration in the study of government and public policy; (v)
1087   one appointed by the minority leader of the House of Representatives,
1088   who shall be a representative of an industry association representing the
1089   industries that are developing artificial intelligence; (vi) one appointed
1090   by the minority leader of the Senate, who shall be a representative of an
1091   industry association representing the industries that are using artificial
1092   intelligence; (vii) one appointed by the House chairperson of the joint
1093   standing committee of the General Assembly having cognizance of
1094   matters relating to consumer protection; (viii) one appointed by the
1095   Senate chairperson of the joint standing committee of the General
1096   Assembly having cognizance of matters relating to consumer
1097   protection; (ix) one appointed by the House ranking member of the joint
1098   standing committee of the General Assembly having cognizance of
1099   matters relating to consumer protection, who shall be a representative
1100   of the artificial intelligence industry or a related industry; (x) one
1101   appointed by the Senate ranking member of the joint standing
1102   committee of the General Assembly having cognizance of matters
1103   relating to consumer protection, who shall be a representative of the

1104 artificial intelligence industry or a related industry; (xi) one appointed
1105 by the House chairperson of the joint standing committee of the General
1106 Assembly having cognizance of matters relating to labor, who shall be a
1107 representative of a labor organization; (xii) one appointed by the Senate
1108 chairperson of the joint standing committee of the General Assembly
1109 having cognizance of matters relating to labor, who shall be a
1110 representative of a labor organization; (xiii) one appointed by the House
1111 ranking member of the joint standing committee of the General
1112 Assembly having cognizance of matters relating to labor, who shall be a
1113 representative of a small business; (xiv) one appointed by the Senate
1114 ranking member of the joint standing committee of the General
1115 Assembly having cognizance of matters relating to labor, who shall be a
1116 representative of a small business; and (xv) two appointed by the
1117 Governor, who shall be members of the Connecticut Academy of
1118 Science and Engineering.

1119   (B) All voting members of the working group appointed pursuant to
1120 subparagraph (A) of this subdivision shall have professional experience
1121 or academic qualifications in matters pertaining to artificial intelligence,
1122 automated systems, government policy or another related field.

1123   (C) All initial appointments to the working group shall be made not
1124 later than July 31, 2025. Any vacancy shall be filled by the appointing
1125 authority.

1126   (D) Any action taken by the working group shall be taken by a
1127 majority vote of all members present who are entitled to vote, provided
1128 no such action may be taken unless at least fifty per cent of such
1129 members are present.

1130   (2) The working group shall include the following nonvoting, ex-
1131 officio members: (A) The House chairperson of the joint standing
1132 committee of the General Assembly having cognizance of matters
1133 relating to consumer protection; (B) the Senate chairperson of the joint
1134 standing committee of the General Assembly having cognizance of
1135 matters relating to consumer protection; (C) the House chairperson of

1136 the joint standing committee of the General Assembly having
1137 cognizance of matters relating to labor; (D) the Senate chairperson of the
1138 joint standing committee of the General Assembly having cognizance of
1139 matters relating to labor; (E) the Attorney General, or the Attorney
1140 General's designee; (F) the Comptroller, or the Comptroller's designee;
1141 (G) the Treasurer, or the Treasurer's designee; (H) the Commissioner of
1142 Administrative Services, or said commissioner's designee; (I) the Chief
1143 Data Officer, or said officer's designee; (J) the executive director of the
1144 Freedom of Information Commission, or such executive director's
1145 designee; (K) the executive director of the Commission on Women,
1146 Children, Seniors, Equity and Opportunity, or such executive director's
1147 designee; (L) the Chief Court Administrator, or said administrator's
1148 designee; and (M) the executive director of the Connecticut Academy of
1149 Science and Engineering, or such executive director's designee.

1150   (d) The chairpersons of the joint standing committee of the General
1151 Assembly having cognizance of matters relating to consumer protection
1152 and the executive director of the Connecticut Academy of Science and
1153 Engineering shall serve as chairpersons of the working group. Such
1154 chairpersons shall schedule the first meeting of the working group,
1155 which shall be held not later than August 31, 2025.

1156   (e) The administrative staff of the joint standing committee of the
1157 General Assembly having cognizance of matters relating to consumer
1158 protection shall serve as administrative staff of the working group.

1159   (f) Not later than February 1, 2026, the working group shall submit a
1160 report on its findings and recommendations to the joint standing
1161 committee of the General Assembly having cognizance of matters
1162 relating to consumer protection, in accordance with the provisions of
1163 section 11-4a of the general statutes. The working group shall terminate
1164 on the date that the working group submits such report or February 1,
1165 2026, whichever is later.

1166   Sec. 22. Subsections (b) and (c) of section 4-68jj of the general statutes
1167 are repealed and the following is substituted in lieu thereof (*Effective July*

1168   *1, 2025*):

1169   (b) (1) **[**Not later than February 1, 2024, the**]** <u>The</u> Office of Policy and
1170 Management shall develop and establish policies and procedures
1171 concerning the development, procurement, implementation, utilization
1172 and ongoing assessment of systems that employ artificial intelligence
1173 and are in use by state agencies. Such policies and procedures shall, at a
1174 minimum, include policies and procedures that:

1175   (A) Govern the procurement, implementation and ongoing
1176 assessment of such systems by state agencies;

1177   (B) Are sufficient to ensure that no such system (i) results in any
1178 unlawful discrimination against any individual or group of individuals,
1179 or (ii) has any unlawful disparate impact on any individual or group of
1180 individuals on the basis of any actual or perceived differentiating
1181 characteristic, including, but not limited to, age, genetic information,
1182 color, ethnicity, race, creed, religion, national origin, ancestry, sex,
1183 gender identity or expression, sexual orientation, marital status, familial
1184 status, pregnancy, veteran status, disability or lawful source of income;

1185   (C) Require a state agency to assess the likely impact of any such
1186 system before implementing such system; and

1187   (D) Provide for the Department of Administrative Services to
1188 perform ongoing assessments of such systems to ensure that no such
1189 system results in any unlawful discrimination or disparate impact
1190 described in subparagraph (B) of this subdivision.

1191   <u>(2) Not later than February 1, 2026, the Office of Policy and</u>
1192 <u>Management shall develop and establish policies and procedures that</u>
1193 <u>govern user training for systems that employ artificial intelligence and</u>
1194 <u>are in use by state agencies.</u>

1195   **[**(2)**]** <u>(3)</u> The Office of Policy and Management may revise the policies
1196 and procedures established pursuant to **[**subdivision**]** <u>subdivisions</u> (1)
1197 <u>and (2)</u> of this subsection if the Secretary of the Office of Policy and

1198   Management determines, in said secretary's discretion, that such
1199   revision is necessary.

1200   **[**(3)**]** (4) The Office of Policy and Management shall post the policies
1201   and procedures established pursuant to **[**subdivision**]** subdivisions (1)
1202   and (2) of this subsection, and any revision made to such policies and
1203   procedures pursuant to subdivision **[**(2)**]** (3) of this subsection, on the
1204   office's Internet web site.

1205   (c) **[**Beginning on February 1, 2024, no**]** No state agency shall
1206   implement any system that employs artificial intelligence (1) unless the
1207   state agency has performed an impact assessment, in accordance with
1208   the policies and procedures established pursuant to subsection (b) of
1209   this section, to ensure that such system will not result in any unlawful
1210   discrimination or disparate impact described in subparagraph (B) of
1211   subdivision (1) of subsection (b) of this section, or (2) if the head of such
1212   state agency determines, in such agency head's discretion, that such
1213   system will result in any unlawful discrimination or disparate impact
1214   described in subparagraph (B) of subdivision (1) of subsection (b) of this
1215   section.

1216   Sec. 23. (NEW) (*Effective October 1, 2025*) Each employer that serves
1217   written notice on the Labor Department pursuant to 29 USC 2102(a), as
1218   amended from time to time, shall disclose to the department, in a form
1219   and manner prescribed by the Labor Commissioner, whether the layoffs
1220   that are the subject of such written notice are related to the employer's
1221   use of artificial intelligence or another technological change. As used in
1222   this section, "artificial intelligence" means artificial intelligence system,
1223   as defined in section 1 of this act.

1224   Sec. 24. (NEW) (*Effective October 1, 2025*) (a) A person is guilty of
1225   unlawful dissemination of an intimate synthetically created image when
1226   (1) such person intentionally disseminates by electronic or other means
1227   such image of (A) the genitals, pubic area or buttocks of another person
1228   with less than a fully opaque covering of such body part, or the breast
1229   of such other person who is female with less than a fully opaque

1230   covering of any portion of such breast below the top of the nipple, or (B)
1231   another person engaged in sexual intercourse, as defined in section 53a-
1232   193 of the general statutes, (2) such person disseminates such image
1233   without the consent of such other person, (3) knowing such image is a
1234   synthetically created image, disseminates the image intending for
1235   another person who views such image to be deceived into believing the
1236   image is an actual depiction of such other person, and (4) such other
1237   person suffers harm as a result of such dissemination, or (5) such person
1238   violates subdivisions (1) to (4), inclusive, of this subsection, and such
1239   person acquired, created or had created such synthetically created
1240   image with intention to harm such other person.

1241   (b) For purposes of this section:

1242   (1) "Disseminate" means to sell, give, provide, lend, trade, mail,
1243   deliver, transfer, publish, distribute, circulate, present, exhibit, advertise
1244   or otherwise offer;

1245   (2) "Harm" includes, but is not limited to, subjecting such other
1246   person to hatred, contempt, ridicule, physical injury, financial injury,
1247   psychological harm or serious emotional distress; and

1248   (3) "Synthetically created image" means any photograph, film,
1249   videotape or other image of a person that (A) is (i) not wholly recorded
1250   by a camera, or (ii) either partially or wholly generated by a computer
1251   system, and (B) depicts, and is virtually indistinguishable from what a
1252   reasonable person would believe is the actual depiction of, an
1253   identifiable person.

1254   (c) The provisions of subsection (a) of this section shall not apply to:

1255   (1) Any image described in subsection (a) of this section of such other
1256   person if such image resulted from voluntary exposure or engagement
1257   in sexual intercourse by such other person, in a public place, as defined
1258   in section 53a-181 of the general statutes, or in a commercial setting; or

1259   (2) Any image described in subsection (a) of this section of such other

1260 person, if such other person is not clearly identifiable, unless other
1261 personally identifying information is associated with or accompanies
1262 the image.

1263   (d) Unlawful dissemination of an intimate synthetically created
1264 image to (1) a person by any means is a class D misdemeanor, except
1265 that if such person violated subdivision (5) of subsection (a) of this
1266 section, a class A misdemeanor, and (2) more than one person by means
1267 of an interactive computer service, as defined in 47 USC 230, an
1268 information service, as defined in 47 USC 153, or a telecommunications
1269 service, as defined in section 16-247a of the general statutes, is a class C
1270 misdemeanor, except that if such person violated subdivision (5) of
1271 subsection (a) of this section, is a class D felony.

1272   (e) Nothing in this section shall be construed to impose liability on
1273 the provider of an interactive computer service, as defined in 47 USC
1274 230, an information service, as defined in 47 USC 153, or a
1275 telecommunications service, as defined in section 16-247a of the general
1276 statutes, for content provided by another person."

This act shall take effect as follows and shall amend the following sections:		
Section 1	*October 1, 2025*	New section
Sec. 2	*October 1, 2025*	New section
Sec. 3	*October 1, 2025*	New section
Sec. 4	*October 1, 2025*	New section
Sec. 5	*October 1, 2025*	New section
Sec. 6	*from passage*	New section
Sec. 7	*October 1, 2025*	New section
Sec. 8	*October 1, 2025*	New section
Sec. 9	*from passage*	New section
Sec. 10	*July 1, 2025*	New section
Sec. 11	*January 1, 2026*	New section
Sec. 12	*January 1, 2026*	New section
Sec. 13	*January 1, 2026*	New section
Sec. 14	*January 1, 2026*	17b-751b(b)
Sec. 15	*July 1, 2025*	New section

Sec. 16	*July 1, 2025*	10-21*l*
Sec. 17	*July 1, 2025*	32-7p
Sec. 18	*July 1, 2025*	32-235(b)
Sec. 19	*July 1, 2025*	New section
Sec. 20	*July 1, 2025*	New section
Sec. 21	*July 1, 2025*	New section
Sec. 22	*July 1, 2025*	4-68jj(b) and (c)
Sec. 23	*October 1, 2025*	New section
Sec. 24	*October 1, 2025*	New section