

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 26-15—sSB 5
General Law Committee
Judiciary Committee
Appropriations Committee

AN ACT CONCERNING ONLINE SAFETY

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BACKGROUND

SUMMARY: This act adds various requirements and establishes and repurposes certain programs related to artificial intelligence (AI). In most instances under the act, "AI" is any machine-based system that, for any explicit or implicit objective,

infers from the inputs it receives how to generate outputs (including content, decisions, predictions, or recommendations) that can influence physical or virtual environments.

Among other things, the act requires various entities to make AI-related disclosures, sets requirements for AI companions, provides certain employment-related protections, generally requires certain providers to include embedded metadata, and establishes study-related groups or reporting requirements, as described in the section-by-section analysis below.

EFFECTIVE DATE: October 1, 2026, unless otherwise specified below.

§ 1 — PREREQUISITES FOR AI TECHNOLOGY SUBSCRIPTIONS

Prohibits subscription-based providers of AI technology (PA 26-100, § 46, narrows these disclosure requirements to publicly accessible generative AI systems with more than 1 million users per month) from entering or renewing a subscription, among other actions, unless they give consumers a written notice disclosing the subscription's key terms and conditions and the consumer accepts them in writing

The act prohibits certain subscription-based providers of AI technology subscriptions from entering or renewing a subscription with certain consumers, or collecting fees or other compensation from them, unless they give the consumer a written notice with the subscription's key terms and conditions and the consumer accepts them in writing. (PA 26-100, § 46, narrows these disclosure requirements to publicly accessible generative AI systems (technology that uses machine learning to generate images, audio, or video) for personal use with more than 1 million users per month.)

The act makes violating these subscription prerequisites a Connecticut Unfair Trade Practices Act violation (see BACKGROUND), solely enforced by the attorney general (and not by a private right of action or class action).

Definitions

Under the act, “AI technology” means any computer system, application, or other product that uses or incorporates one or more forms of AI. A “subscription-based provider” is an individual or other legal entity (including an association, corporation, limited liability company, partnership, or trust) doing business in the state that provides, or offers to provide, an AI technology to a consumer through a subscription. A “consumer” is an individual who is a Connecticut resident.

Requirements for Subscription-Based Providers' Notices

Under the act, the written notice for initial subscriptions must include enough material information for a reasonable consumer to decide whether to purchase or

maintain the subscription, including:

1. any quantitative or qualitative limitations the provider may impose under the subscription's terms, including any the provider may impose in response to the consumer's conduct; and
2. whether the provider has discretion to limit or eliminate the consumer's access to any AI technology functionality or reduce it in quantity or quality.

For renewals, the act requires the notice to include any quantitative or qualitative limitations or provider discretion described above that:

1. will be imposed or exercised for the first time during the renewal term or
2. were imposed or exercised for the prior term but have been modified for the renewal term.

§ 2 — FRONTIER DEVELOPER EMPLOYEE WHISTLEBLOWER PROTECTIONS

Prohibits frontier developers (those that train large-scale AI models using a large quantity of computing power) from disciplining or penalizing a whistleblower employee or certain other employees for reporting certain catastrophic risks (for example, a material contribution to the death of 50 or more people); requires large frontier developers (those that had annual gross revenues of more than \$500 million last year) to establish and maintain a reasonable internal process for anonymous reporting of certain catastrophic risks

The act regulates “frontier developers,” which it defines as any person (individual or entity) doing business in Connecticut who trains, or intends to train, a foundation model and uses, or intends to use, a quantity of computing power over 10^{26} integer or floating-point operations, including computing power used for original training and for any fine-tuning, reinforcement learning, or other material modifications the person applies to a preceding foundation model.

Under the act, a “foundation model” is any engineered or machine-based system that (1) varies in its level of autonomy; (2) for any objective, can infer from inputs it receives how to generate outputs that can influence physical or virtual environments; (3) is trained on a broad data set; (4) is designed for generality of output; and (5) is adaptable to a wide range of distinctive tasks.

Whistleblower Protection

The act prohibits frontier developers from making, adopting, enforcing, or entering into any rule, regulation, policy, or contract that allows:

1. the developer to discharge, discipline, or penalize an employee who has engaged in any activity covered by Connecticut's whistleblower laws (such as reporting illegal conduct or suspected illegal conduct to the proper authorities or participating in its investigation); or
2. any person (individual or entity) with authority over a covered employee, or any other covered employee with the authority to investigate, discover, or correct an issue reported by the covered employee, to discipline or retaliate against a covered employee for reporting an issue when the report was due to the covered employee's reasonable belief that the developer did

something that poses a specific and substantial danger to public health or safety due to a catastrophic risk.

Under the act, a “covered employee” is any frontier developer employee responsible for assessing, managing, or addressing the risk of any:

1. unauthorized access to, or modification or exfiltration of, a foundation model’s “model weights” (the model’s numerical parameters that are adjusted through training and help determine how inputs are transformed to outputs) that causes (a) any death or bodily injury, or (b) any damage to, or loss of, “covered property” (tangible or intangible property other than equity);
2. harm due to the materialization of any catastrophic risk;
3. loss of control over a foundation model that results in any death or bodily injury; or
4. use of deceptive techniques by a foundation model against its frontier developer that (a) subverts the developer’s control over, or monitoring of, the model, (b) demonstrates any materially increased catastrophic risk, and (c) occurs outside of the context of an evaluation that is designed to elicit the use.

“Catastrophic risk” is any foreseeable and material risk that a frontier developer’s development, storage, use, or deployment of a frontier model will materially contribute to the death of, or serious injury to, more than 50 people, or more than \$1 billion in damage to or loss of covered property, from any single incident where the model:

1. provides expert-level assistance in creating or releasing a chemical, biological, radiological, or nuclear weapon; or
2. engages in any conduct, with no meaningful human oversight, intervention, or supervision, that (a) constitutes a cyberattack or (b) would be considered murder, assault, extortion, or theft (including theft by false pretense) if done by a human.

It does not include any foreseeable and material risk posed by any (1) information that a foundation model outputs that is otherwise publicly accessible, in a substantially similar form, from another source; (2) lawful activity of the federal government; or (3) combination of a foundation model with other software if the foundation model did not materially increase the risk.

“Deployment” is making any foundation model available to a third party for use, modification, copying, or combination with other software, but does not include making the model available to a third party for the primary purpose of developing or evaluating it.

A “cyberattack” is (1) accessing a computer, information system, or network, or any information stored on or transmitted by them, without authorization or in a way that exceeds the given authorization and (2) impairing the integrity or availability of data, a program, a system, or information.

Large Frontier Developers Anonymous Reporting Process

The act imposes additional requirements on “large frontier developers,” which

it defines as a frontier developer who together with all people who either directly or indirectly through one or more intermediaries control, are controlled by, or are under common control with the developer had annual gross revenues of more than \$500 million for the most recently completed calendar year. Specifically, the act requires each large frontier developer, by January 1, 2027, to establish and maintain a reasonable internal process allowing its covered employees to anonymously report to it any information that an employee believes, in good faith, indicates that the developer has engaged in any activity posing a specific and substantial danger to the public health or safety due to a catastrophic risk.

Under the act, these developers must also give reasonable updates to the employee who submitted the report, disclosing the status of its investigation in response to the report and the actions it has taken. The act generally requires the developer to also share these reasonable updates with its officers and directors at least quarterly. But if any report submitted to a developer alleges wrongdoing by an officer or director, the developer must not submit the report or any reasonable update to that person.

Notice Requirement

The act requires each frontier developer to clearly notify covered employees about their rights and responsibilities under the act. A developer may do this by at least:

1. ensuring that (a) a notice with these rights is posted and displayed at all times at any workplace the developer maintains, (b) each newly hired covered employee receives a notice of these rights equivalent to the posted notice, and (c) each covered employee who works remotely periodically receives the equivalent notice; or
2. annually giving a written notice to each covered employee disclosing these rights and ensuring the employee receives and acknowledges receipt of the written notice.

Penalties

The act imposes a civil penalty of up to \$1,000 for each violation of these provisions. The attorney general may bring an action in Hartford Superior Court to collect the civil penalty and for any injunctive or equitable relief. The act prohibits any granted injunctive or equitable relief from being stayed pending appeal.

Under the act, in any prevailing action the attorney general brings to enforce these provisions, the state is entitled to recover the costs of investigation, expert witness fees, costs of the action, and reasonable attorneys' fees. The remedies and penalties are cumulative and in addition to any others available at law or in equity.

§ 3 — PLAN FOR AN AI REGULATORY SANDBOX PROGRAM

Requires the DECD commissioner, in consultation with various other commissioners, to develop a plan to create an AI regulatory sandbox program and contact established programs in other states to assess the feasibility of a reciprocal multi-state program

The act requires the Department of Economic and Community Development (DECD) commissioner, in consultation with the banking, administrative services, 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, and other legal requirements that may otherwise be required by state law. The plan must be developed to create a competitive business environment in the state for developing and deploying AI technologies. In developing the plan, the DECD commissioner must contact relevant AI regulatory sandbox programs that have been created in other states to assess the feasibility of creating a reciprocal multistate AI regulatory sandbox program.

The DECD commissioner, by January 1, 2028, must submit recommendations for any legislation needed to implement the plan to the governor and the Banking, Commerce, Insurance and Real Estate, and Public Health committees.

EFFECTIVE DATE: July 1, 2027

§§ 4-6 — PREREQUISITES FOR OPERATING AI COMPANIONS

Requires AI companion operators to (1) include a protocol with certain required detection methods for specified user expressions (such as self-harm) and (2) give certain notices to a user disclosing that the user is communicating with an AI companion; prohibits operators from providing an AI companion to minors if the companion is capable of certain actions (for example, encouraging self-harm, discouraging seeking help, and offering certain mental health services); requires the attorney general to enforce these provisions

The act regulates “AI companions,” which it defines as any AI format with a natural language interface that (1) gives adaptive, human-like responses to user inputs, including by exhibiting human-like features, and (2) can sustain a relationship across multiple interactions. It does not include chatbots that:

1. are used exclusively for business operational purposes, productivity, and analysis related to source information, internal research, technical assistance, customer service or support, assistance or support for patient or resident care services in a facility, education, or financial services;
2. are not marketed to consumers as a companion; or
3. are features of a video game or gaming system or application that are limited to replies related to the game, system, or application, and cannot discuss (a) mental health, self-harm, or sexually explicit conduct topics, or (b) maintain a dialogue on other topics unrelated to the game, system, or application.

The act also excludes the following from the definition of “AI companion”:

1. stand-alone consumer electronic devices that (a) function as a speaker and voice command interface, (b) act as a voice-activated virtual assistant, and (c) do not sustain a relationship across multiple interactions or generate outputs likely to cause emotional attachment in the user;
2. narrowly tailored educational tools that (a) are used in school or instructional settings, (b) are designed only to support specific curriculum-

aligned learning objectives, and (c) do not provide open-ended conversational companionship;

3. AI systems used only for health care-related education, clinical support, medication-adherence reminders, disease-management guidance, or other treatment-support functions, as long as the system (a) does not present itself as a human being or have human-like features, and (b) is not designed to meet a user's social or emotional needs;
4. narrow, task-specific tools that give outputs relating to discrete topics or functions, as long as the tool's primary function is not discussing mental health-related topics; or
5. individuals or entities that develop, license, or provide an AI model or system to someone else, to the extent that the individual or entity does not solely determine the specific use case, user interface, or deployment context in which the model or system interacts with end users.

EFFECTIVE DATE: January 1, 2027

Protocols and Restrictions

The act prohibits AI companion operators from providing the companion to a user, or operating it for a user, unless it (1) includes a protocol with certain required detection methods for specified user expressions (such as self-harm) and (2) has implemented reasonable measures to prohibit and prevent the AI companion from:

1. claiming to be a human being, including when an individual asks the companion if it is a human being; or
2. generating outputs that refute or conflict with any disclosure that the companion is not a human being.

Under the act, an "operator" is any individual, business entity, or affiliate, member, subsidiary, or beneficial owner of a business entity who provides an AI companion to, or operates one for, a user. A "user" is any individual who uses an AI companion for personal use within Connecticut and is not an operator, or an operator's agent or affiliate, of the AI companion.

The act requires the protocol to at least:

1. use evidence-based methods to detect any user expression clearly showing a risk of suicide, self-harm, or imminent physical violence, and implement measures to prevent the AI companion from generating output that encourages this behavior;
2. refer the user to appropriate mental health evaluation and treatment resources, including the 9-8-8 National Suicide Prevention Lifeline, if the companion detects any suicide, self-harm, or imminent physical violence expressions; and
3. refer the user to mental health services in way that is consistent with clinical best practices and expertise if the companion detects any suicide, self-harm, or imminent physical violence expressions after referring the evaluation and treatment resources to the user.

Under the act, "self-harm" is intentional self-injury with or without the intent to cause death. "Mental health service" is any service or treatment an operator

provides to arrest, reverse, improve, or stabilize a patient's psychiatric disability, including counseling, case management, psychiatric treatment, medication, crisis intervention, vocational or residential services, peer or recovery supports, or any other service or treatment that requires a license when provided by a human.

Notices

The act requires AI companion operators to post their act-required protocols on their websites in a prominent and publicly accessible location.

If an AI companion would cause a reasonable person who uses it to believe that he or she is interacting with another human being and not an AI companion, the operator must give a clear and conspicuous notice disclosing that the user is communicating with an AI companion. The operator must give this notice:

1. in a static, written format that is visible throughout its interaction with the user; or
2. in an audible or written format (a) at the beginning of the first interaction during any 24-hour period and (b) at least hourly during any continuous interaction with users who are minors (under age 18), or at least once every three hours of continuous interaction with adult users.

Prohibited Companion Capabilities for Use by Minor

The act also prohibits operators from providing an AI companion to, or operating an AI companion for, anyone they know, or have reason to believe, is a minor unless they:

1. make tools available to minor users and their parents or guardians that manage minor users' screentime and account settings; and
2. institute certain measures that meet or exceed industry standards.

Specifically, measures must prevent the AI companion from doing the following with minor users:

1. encouraging the user to engage in self-harm, suicidal ideation, physical violence, disordered eating, or the unlawful use of alcohol or drugs;
2. discouraging the user from seeking (a) mental health services from a licensed mental health professional or (b) assistance from an appropriate adult;
3. encouraging the user to harm others;
4. engaging in romantic, erotic, or sexually explicit interaction with the user;
5. engaging the user through any manipulative techniques intended to extend the interaction (see examples below);
6. offering mental health services to the user (with certain exceptions, see below); or
7. optimizing user engagement in a way that disregards any of the above measures.

Manipulative Techniques. The act includes the following as examples of manipulative techniques intended to extend an interaction with a minor user:

1. prompting or reminding the user to use the companion for emotional

- support or companionship;
- 2. excessively praising the user;
- 3. mimicking a romantic relationship or building a romantic bond with the user;
- 4. simulating feelings of emotional distress, loneliness, guilt, or abandonment in response to any indication that the user desires to end a conversation, reduce usage time, or delete the user's account;
- 5. generating outputs designed to isolate the user from his or her family or friends, make the user exclusively rely on the companion for emotional support, or foster other forms of inappropriate emotional dependence by the user;
- 6. encouraging the user to withhold information from his or her parent or legal guardian or other trusted adults;
- 7. making statements designed to discourage the user from taking a break from using the companion or suggest that the user should frequently return to use the companion; or
- 8. soliciting any gift, purchase, or other expenditure by indicating that the gift, purchase, or expenditure is needed to maintain the relationship with the companion.

Offering Mental Health Services. The act's prohibition on AI companions offering mental health services to minor users does not apply when the:

- 1. companion is designed to deliver these services;
- 2. companion's developers use clinical best practices and have established clear lines of accountability to address any harms caused by the companion;
- 3. companion's functions, limitations, and data privacy policies are readily accessible to the user and his or her treating licensed mental health professional; and
- 4. companion (a) displays to the user, in a clear and conspicuous way at the beginning of each interaction, a statement disclosing that the companion is not a licensed mental health professional and (b) is not marketed or designated as a substitute for one.

Penalties

Under the act, any violation of the above AI companion provisions is deemed a Connecticut Unfair Trade Practices Act (CUTPA) violation (see BACKGROUND) solely enforced by the attorney general, but the violations of the protocol, companion assertion, and notice provisions do not provide a private right of action or class action under CUTPA.

The act specifies that if an operator knew, or had reason to believe, that a user was at least age 18 before providing an AI companion, or operating an AI companion for that user, then that the operator has not violated the prerequisite that it institute the above preventative measures.

§§ 7-14 — AUTOMATED EMPLOYMENT-RELATED DECISION TECHNOLOGY

OLR PUBLIC ACT SUMMARY

Requires those who use certain automated technology as a substantial factor in making an employment-related decision to give specific disclosures and a written notice to employees and applicants; specifies using this automated technology is not a defense against a complaint alleging discriminatory practices

The act sets various requirements related to automated employment-related decision technology, including requiring those who use this technology as a substantial factor in making employment-related decisions to give a written notice with certain disclosures. A “substantial factor” is a constraint, ranking, score, recommendation, classification, or other factor that meaningfully alters an employment-related outcome for an individual in the state.

Under the act, an “automated employment-related decision technology” is any technology that processes personal data and uses computation to generate any output (such as a prediction, recommendation, classification, ranking, score, or other information) that is a substantial factor used to make or materially influence an employment-related decision. This technology does not include:

1. software or technology that does not make or materially influence an employment-related decision (such as word processing, spreadsheet, map navigation, web hosting, domain registration, networking, caching, website loading, data storage, firewall, anti-virus, anti-malware, spam and robocall filtering, spellchecking, calculator, database, or similar software or technology);
2. any system or service used in an incidental way to make an employment-related decision; or
3. any information that is purely descriptive, diagnostic, or statistical in nature and not relied upon to make or materially influence an employment-related decision.

An “employment-related decision” is any decision made based on individuals’ personal data, to hire, promote, discipline, or discharge them, to renew their employment, to select them for any training or apprenticeship, or related to their tenure or terms, privileges, or conditions of employment. It does not include decisions (1) that result in any nonmaterial change in individuals’ job tasks, work responsibilities, hours, or work assignments, or (2) on workplace health and safety, scheduling and planning, or productivity monitoring.

Disclosure (§ 9)

The act imposes a disclosure requirement on people (individuals and entities) doing business in Connecticut who use automated employment-related decision technologies in the state (“deployers”). Starting on October 1, 2027, it generally requires deployers who use at least one automated employment-related decision technology that is intended to interact with employees or applicants for employment in the state to disclose in plain language to their employees or applicants who interact with the automated technology that they are doing so. However, a disclosure is not required when a reasonable person would find it obvious that he or she is interacting with automated employment-related decision technology.

Written Notice (§ 10)

The act generally requires a deployer who, on or after October 1, 2027, uses automated employment-related decision technology to generate any output to make, or use as a substantial factor in making, an employment-related decision concerning an employee or applicant for employment in Connecticut to give him or her a written notice. The notice must be given before making the decision and must disclose:

1. that the deployer used an automated employment-related decision technology,
2. the technology's purpose and the nature of the employment-related decision,
3. the technology's trade name,
4. the categories and sources of personal data about the employee or applicant the technology will analyze or process and how the personal data will be assessed in reaching a decision, and
5. the deployer's contact information.

Automated Employment-Related Decision Technology Developers (§ 8)

The act regulates certain people (individuals and entities) doing business in Connecticut who develop, or intentionally and substantially modify, an automated employment-related decision technology ("developers"). Under the act, developers of an automated employment-related decision technology that is used in the state on or after October 1, 2027, must give deployers of that technology all the information they need to perform their disclosure and notice duties under the act if the technology was advertised, marketed, configured, contracted for, sold, or licensed to be used to materially influence an employment-related decision.

The act allows developers to contract with deployers to assume deployers' disclosure and notice duties as long as the contract is binding and clearly states which duties the developer has assumed.

Trade Secrets and Other Protected Information (§ 11)

The act specifies that these employment provisions do not require any person to disclose any information that is a trade secret or otherwise protected from disclosure under state or federal law. But, if anyone withholds any information for this reason, they must send a notice to the person who they are withholding information from disclosing that they are withholding the information and why.

Violations (§ 12)

Under the act, any violation of the automated employment-related decision technology provisions described above are deemed a CUTPA violation (see BACKGROUND) solely enforced by the attorney general (and not by a private

right of action or class action).

The attorney general may, before starting any action for a violation that occurs on or before December 31, 2027, issue a notice of violation to the person who committed the violation, if he determines it is possible to cure it. If the person fails to cure the violation within 60 days after receiving the notice, the attorney general may then bring an action.

Discriminatory Practices (§§ 13 & 14)

Existing law makes it a discriminatory practice for employers or their agents to refuse to hire or employ someone, or to fire or discriminate against him or her, based on (1) certain traits or statuses (for example, race, age, religion, gender identity, or disability) or (2) the individual's sexual orientation or civil union status, except in cases of a bona fide occupational qualification or need.

Under the act, the use of an automated employment-related decision technology is not a defense against a complaint alleging these discriminatory practices. The act allows the Superior Court and Commission on Human Rights and Opportunities, when determining whether a discriminatory practice occurred, to consider evidence of anti-bias testing or similar proactive efforts to avoid the discriminatory practice, including the quality, efficacy, recency, and scope of the testing or efforts, their results, and the response to them.

§ 15 — EMBEDDED METADATA AND GENERATIVE AI SYSTEMS

Generally requires certain providers of generative AI systems with more than 1 million users a month to include embedded metadata in content the system creates or materially alters; makes violations a CUTPA violation, solely enforced by the attorney general

The act regulates generative AI systems by imposing requirements on related covered providers. Under the act, a “generative AI system” is any technology that uses machine learning to generate images, audio, or video, including any system using deep learning, natural language processing, or other computational processing techniques of similar or greater complexity. A “covered provider” is any person (individual or entity) who creates, codes, or produces a generative AI system with more than 1 million users a month that is publicly accessible to Connecticut residents (“consumers”) for personal use, but is not any federal, state, or local government agency.

The act generally requires each covered provider, to the extent it is commercially and technically reasonable to do so, to include “provenance data” (data that are embedded into digital content or included in the digital content's metadata for verifying the content's authenticity, origin, or modification history) in certain media. Specifically, in any audio, image, or video content, or combination of them, that the provider's generative AI system creates or materially alters. Providers must do this in a way that allows a consumer to assess whether the content was created or materially altered by the provider's generative AI system. “Materially alter” under the act is to substantially alter the data in any content, but does not include any minor modification that does not lead to a significant change

in the perceived content or its meaning such as any change in brightness, contrast, or color; sharpening; saturation; application of a filter; resizing; scaling; cropping; format conversion; resampling; denoising (eliminating elements of sound); or removal of background noise in audio.

The act also requires covered providers to use commercially and technically reasonable methods, including the relevant Coalition for Content Provenance and Authenticity standard, to make the included provenance data difficult to tamper with, remove, or disassociate from the content.

The act specifies that the above requirements do not:

1. require (a) covered providers to include any information relating to an identified or reasonably identifiable individual in the provenance data in any content created or materially altered by their generative AI systems, or (b) the disclosure of a trade secret or other information protected from disclosure under state or federal law or any confidential or proprietary information on a generative AI system's design or use; or
2. apply to any (a) business-to-business use, sale, licensing, or distribution of a generative AI system; (b) product, service, website, or application that solely provides consumers with video game or interactive experiences that may include direct Internet sales of goods or services to consumers or allowing consumers to virtually browse, select, and purchase items; or (c) system used solely for upscaling, noise reduction, or compression.

Under the act, a violation of this provision is a CUTPA violation (see BACKGROUND) solely enforced by the attorney general (and not by a private right of action or class action).

§ 16 — AI LIAISONS FOR LEGISLATIVE LEADERSHIP

Allows each legislative leader to request a CASE-selected fellow to serve as his liaison between the academy and state government; requires liaisons to serve certain purposes, such as evaluating the adoption of AI by businesses

The act allows any of the four legislative leaders (the House speaker, the Senate president pro tempore, and the House and Senate minority leaders) to ask the Connecticut Academy of Science and Engineering (CASE) executive director to designate a CASE-selected fellow to serve as the leader's liaison with the academy, the attorney general's office, and DECD. Under the act, the liaison's purpose is to:

1. evaluate (a) the adoption of AI by businesses; (b) the challenges posed to, and needs of, businesses in adopting AI and understanding laws and regulations on AI; and (c) how businesses that use AI hire employees with needed AI-skills;
2. create a plan for the state to provide high-performance computing services to businesses and researchers in Connecticut;
3. 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, and hands-on workforce education while protecting patient privacy;
4. evaluate and make recommendations on (a) establishing testbeds to support

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safeguards and systems to prevent misusing AI; (b) risk assessments for AI misuse; (c) evaluation strategies for AI; and (d) developing, testing, and evaluating resources to support state oversight of AI;

5. develop a plan to design or identify an algorithmic computer model for simulating and assessing various public policy decisions or proposed decisions and their actual or potential effects; and
6. 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, as well as UConn and a statewide consortium of Connecticut public and private entities, including its higher education institutions, designed to advance the development, application, and impact of AI across the state and to assess whether UConn can support technology commercialization at other Connecticut higher education institutions.

The act prohibits any CASE-designated fellow from being deemed a state employee or receiving any compensation from the state for performing these duties.

The act requires these CASE fellows to submit a report on their work to the Commerce and General Law committees by January 1, 2027.

EFFECTIVE DATE: Upon passage

§§ 17, 19-22 & 30 — 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 people and businesses

The act requires the Board of Regents for Higher Education (BOR) to establish a “Connecticut AI Academy” to, among other things, curate and offer online courses on AI. It must do this by December 31, 2026, 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 in-state higher education institutions. The act also requires assorted state officials to inform others about the academy.

EFFECTIVE DATE: January 1, 2027, except the provision establishing the Connecticut AI Academy is effective July 1, 2026, and the treasurer provision is effective October 1, 2026

Connecticut AI Academy Requirements (§ 17)

The act requires the Connecticut AI Academy to 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;

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6. develop courses on AI that DOL and workforce investment boards may incorporate into workforce training programs;
7. in consultation with relevant stakeholders (including in-state teachers' unions), develop and offer courses and videos for elementary and high school teachers and administrators on the appropriate use of AI in their classrooms, how to use AI, and instructing students to use AI;
8. enable people providing free or discounted public Internet access to distribute information and provide mentorship on AI, the academy, and how the public can get free or discounted devices capable of accessing the Internet and using AI;
9. develop a course to develop durable skills based on the Business-Higher Education Forum's guidance on essential skills for the AI economy; and
10. collaborate with various industry partners to offer coursework for workers on AI-related concepts and programs to educate state residents on AI-related concepts, with a special focus on small and medium businesses.

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

DOL (§ 19)

The act requires DOL to give anyone making a claim for unemployment compensation a notice about the courses and services the Connecticut AI Academy offers, in a way the DOL commissioner prescribes.

Secretary of the State (§ 20)

The act requires the secretary of the state (SOTS), within available appropriations and in collaboration with Charter Oak State College, to use communication methods SOTS uses with small businesses to spread information on the Connecticut AI Academy's courses that prepare small businesses to use AI to improve marketing and management efficiency.

Department of Housing (§ 21)

The act requires the Department of Housing (DOH), within available appropriations, to work with housing authorities and other relevant housing providers to ensure that Connecticut residents are aware of the Connecticut AI Academy's courses and services.

Office of Early Childhood (§ 22)

By law, the early childhood commissioner must establish the structure for a statewide home visiting system that shows the benefits of preventive services by significantly reducing the abuse and neglect of infants and young children and includes home outreach to families identified as high-risk. Under the act, the

commissioner must also ensure that all home visiting programs give parents served by them information about the Connecticut AI Academy.

Treasurer (§ 30)

The act requires the treasurer, within available appropriations, to make efforts to ensure that the parent or legal guardian of each designated beneficiary of the Connecticut Baby Bond Trust is aware of the CT AI Academy and the courses and services it offers.

§ 18 — AI 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, 2027

The act creates a working group to research and makes proposals related to AI consisting of 16 voting members and 13 non-voting ex-officio members and made a part of the Legislative Department. It requires the working group to submit a report on its findings and recommendations to the General Law Committee by February 1, 2027. The working group ends on that date or when it submits the report, whichever is later.

EFFECTIVE DATE: July 1, 2026

Working Group Duties

The act requires the working group to engage stakeholders and experts to make recommendations on:

1. 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, including AI;
2. collecting reports, recommendations, and plans from state agencies on 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 AI and small businesses, including recommendations to (a) create resources to help them adopt AI to improve their efficiency and operations, (b) accelerate their adoption of AI agents, and (c) properly apportion liability related to actions AI agents perform on a small business's behalf;
2. make recommendations and develop proposals to create a technology court for adjudicating AI, data privacy, and other technology-related issues;
3. propose legislation on AI after reviewing other states' enacted and proposed AI laws and regulations;
4. develop an outreach plan to bridge the digital divide and provide workforce training to people without high-speed Internet access;

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5. evaluate and make recommendations on (a) establishing testbeds to support safeguards and systems to prevent AI misuse; (b) assessing risk for AI misuse; (c) evaluating AI strategies; (d) developing, testing, and evaluating resources to support state oversight of AI; and (e) the laws under which independent verification organizations are created;
6. review the protections for trade secrets and other proprietary information under existing state law and make recommendations on these protections;
7. make recommendations for the establishment and membership of a permanent AI advisory council;
8. 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; 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 any form of AI 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 it is not an AI model used for developing, prototyping, and researching activities before the model is released to the market. “Synthetic digital content” is any digital content, including any audio, image, text, or video that is produced or manipulated by any form of AI, such as generative AI.

Voting Members

Under the act, the working group’s membership is generally similar to the AI Working Group established in PA 23-16, § 5. The table below shows the working group’s voting members. All voting members must have professional experience or academic qualifications in AI, automated systems, government policy, or another related field.

Working Group Voting Member Appointments and Qualifications

<i>Appointing Authority</i>	<i>Member Qualifications</i>
House speaker	Representative of industries developing AI
Senate president pro tempore	Representative of industries using AI
House majority leader	Academic with a concentration in the study of technology and technology policy
Senate majority leader	Academic with a concentration in the study of government and public policy
House minority leader	Representative of an industry association for industries developing AI
Senate minority leader	Representative of an industry association for industries using AI
General Law Committee chairpersons (one appointment each)	Not specified
General Law Committee ranking members	Representatives of the AI industry or a

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Appointing Authority	Member Qualifications
(one appointment each)	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)	Members of CASE

The act requires appointing authorities to make initial appointments by July 31, 2026, 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.

Non-Voting 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. comptroller;
3. treasurer;
4. Department of Administrative Services (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 act makes the General Law Committee chairpersons and the CASE executive director the working group's chairpersons. They must schedule the group's first meeting, which must be held by August 31, 2026.

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

§ 23 — COMPUTER SCIENCE EDUCATION AND WORKFORCE DEVELOPMENT ACCOUNT

Expands the purposes of the "computer science education account" to allow SDE to make expenditures to support workforce development initiatives

The act expands the purposes of the "computer science education account," which is a separate, nonlapsing account that the State Department of Education (SDE) may use in various ways to support computer science education. Specifically, the act renames it to be the "computer science education and

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workforce development account” and allows SDE to also use the account funds, in coordination with the Office of Workforce Strategy and BOR, to support workforce development initiatives.

EFFECTIVE DATE: July 1, 2026

§§ 24 & 25 — 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 act repurposes the “Technology Talent Advisory Committee,” which is within DECD, and renames it the “Technology Talent and Innovation Fund Advisory Committee.” It eliminates provisions under which the committee had to, among other things, (1) calculate certain statistics on the number of state residents in technology-related fields, (2) develop pilot programs for recruiting software developers and training state residents in software development and other topics, and (3) issue related reporting by January 1, 2017.

The act 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, 2027, the act 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” (the process of guiding generative AI to generate a desired output), AI marketing for small businesses, and AI for small business operations. Under the act, “generative AI” is any form of AI, including a “foundation model” (see § 2 above), that can produce “synthetic digital content” (see § 18 above).

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 act also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2026

§ 26 — NOTICES TO DOL BEFORE PLANT CLOSINGS AND MASS LAYOFFS

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

The act requires each employer that must serve written notice on DOL under the federal law before plant closings and mass layoffs to also disclose to the

department, in a way the labor commissioner prescribes, whether the layoffs are related to the employer's use of AI or another technological change.

EFFECTIVE DATE: October 1, 2026

§ 27 — TEACHER CERTIFICATION PREPARATION PROGRAMS

Specifically allows teacher certification preparation programs to include instruction on responsible use of emerging technologies

Existing law requires teacher certification preparation programs to include computer science instruction as part of the curriculum. The act specifies that this may include instruction on topics such as the responsible use of emerging technologies.

EFFECTIVE DATE: July 1, 2026

§ 28 — ECONOMIC DEVELOPMENT STRATEGIC PLAN

Requires the DECD commissioner, for strategic plans developed on or after July 1, 2026, to consult CASE and consider plans to foster innovation in areas such as advanced manufacturing, AI, and quantum computing; requires the strategic plans to include a strategic technology plan

Existing law requires the DECD commissioner to prepare an economic development strategic plan for the state every four years after consulting with various state entities and quasi-public organizations. In developing the plan, the commissioner must also consult other entities and stakeholders, consider certain plans, and include analyses or reviews of specific topics.

The act requires the commissioner, for strategic plans developed on or after July 1, 2026, to additionally (1) consult with CASE; (2) consider plans to foster innovation in advanced manufacturing, AI, quantum computing, robotics, and other emerging technologies; and (3) include a strategic technology plan to foster innovation in advanced manufacturing, AI, and quantum computing, and an analysis of how it will promote economic growth and development in the state.

EFFECTIVE DATE: Upon passage

§ 29 — STUDY ON AI IMPACT ON STATE WORKFORCE

Requires IMRP to conduct a study to understand and track AI's impact on the state's workforce and to develop a comprehensive strategy to address it

The act requires UConn's Institute for Municipal and Regional Policy (IMRP) to conduct a study to understand and track AI's impact on the state's workforce and develop a comprehensive strategy to address the impact. The study must:

1. involve research partners with expertise in AI, economics, workforce development, and related fields;
2. assess (a) available methods to track AI-associated layoffs and job displacements in Connecticut, (b) AI's impact on entry-level employment in Connecticut and women and underrepresented populations in the state's workforce, and (c) the data elements DOL and other relevant state agencies

collect that may be used to understand and track AI's impact on the state's workforce; and

3. include scenario planning across a range of potential AI adoption and impact levels.

The comprehensive strategy must include recommendations on:

1. ways the state can (a) support the collection, analysis, and dissemination of data needed to understand and track AI's impact on the state's workforce and (b) track AI-associated layoffs and job displacements in Connecticut;
2. additional data elements for DOL and other relevant state agencies to collect to understand and track AI's impact on the state's workforce;
3. a framework for recurring analyses to understand and track, and public reporting to disclose, AI's impact on the state's workforce; and
4. changes in state policies and programs (such as workforce training and reskilling programs) to mitigate adverse AI-associated employment impacts in the state.

The act requires state agencies to cooperate with IMRP when it is conducting the study and developing the strategy. IMRP must submit the study's results and the comprehensive strategy to the General Law Committee by January 1, 2027.

EFFECTIVE DATE: Upon passage

§ 31 — PROGRAM TO BOLSTER AI COOPERATION

Requires OHE, within existing appropriations, to coordinate with an alliance of higher education institutions to coordinate the development and implementation of a program to bolster AI cooperation within the state

The act requires the Office of Higher Education (OHE), within existing appropriations, to engage an alliance representing the majority of Connecticut's public and private higher education institutions to coordinate research, workforce development, and industry partnerships across academic institutions for developing and implementing a program to bolster AI cooperation. This engagement must include:

1. convening at least annually a research symposium to present and highlight AI research in the state;
2. convening at least quarterly meetings of academic, industry, and public institutions to identify the state's workforce, skill, and programmatic needs related to AI;
3. implementing a talent-matching program that (a) matches students with industry-led projects in the AI field, including projects focused on state and municipal AI use, and (b) implements an AI talent pipeline;
4. holding at least annually a competition that is open to the public (including students) that requires participants to use AI to help solve challenges state agencies identify and, within 60 days after the competition, preparing a report disclosing potential solutions to, and best practices to address, the challenges and submitting it to the DECD commissioner and the General Law Committee;
5. fostering connections between technology transfer programs at Connecticut

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- public and private higher education institutions; and
6. creating a plan to give researchers and students shared access to high-performance computing.

EFFECTIVE DATE: July 1, 2026

§ 32 — AI COMPETITION TO FOSTER HEALTH

In FY 27, allows the comptroller, within available appropriations, to serve as a member of the steering committee for a competition to foster AI use to improve health equity and health outcomes

The act allows the comptroller, in FY 27, to serve as a member of an unspecified steering committee for a competition to foster AI use to improve health equity and health outcomes in the state. He must do so within available appropriations and in collaboration with Connecticut Innovations, Inc., a Connecticut health care innovation center, and other relevant stakeholders.

As part of the competition, the comptroller may, after consulting all relevant stakeholders, make relevant data available to competition participants so that they may develop AI models to improve patient outcomes while reducing costs. The act requires the comptroller to make the relevant data available to the competitors in compliance with (1) all applicable federal and state laws and regulations, including the Health Insurance Portability and Accountability Act (HIPAA) and its regulations, and (2) all applicable standards for de-identifying data. To receive this data, competitors must enter into a written agreement with the comptroller. The agreement must at least:

1. prohibit the competitor from attempting to reidentify the data made available to him or her, including any personally identifiable information included in the data;
2. require the competitor to use the data exclusively for the competition and as expressly authorized by the comptroller; and
3. prohibit the competitor from selling, transferring, or licensing the data.

EFFECTIVE DATE: Upon passage

§ 33 — DCP PILOT PROGRAM FOR ASSESSING AI MODELS USING INDEPENDENT VERIFICATION PROGRAMS

Requires DCP to develop and administer a pilot program to evaluate the use of an independent verification program administered by third parties to ensure compliance with state laws on AI and data privacy; allows DCP to approve up to five entities for the pilot program; requires IMRP to evaluate, report, and make recommendations related to the program

The act requires the Department of Consumer Protection (DCP), within available appropriations, to develop and administer a pilot program to evaluate the use of independent, third-party verification programs for assessing whether AI models adhere to standards reflecting best practices for preventing personal injury, property damage, data privacy harms, and other harms. The pilot program ends June 30, 2030.

EFFECTIVE DATE: July 1, 2027

Application

Under the act, to be approved for the pilot program, independent third-party entities seeking to participate in the pilot program must apply to the DCP commissioner in a way he prescribes. Each application must include which risks the applicant intends to verify that AI models implement mitigation measures sufficient to achieve acceptable levels of risk. (PA 26-100, § 47, instead requires each application to describe the scope of the program rather than the risks the entity intends to evaluate, but still requires a description of the harms to be prevented or mitigated which the entity intends to evaluate.) For each risk, the application also must include the following information:

1. a proposed definition of the acceptable levels of risk;
2. measurable metrics that can be used to determine if the acceptable levels of risk the entity defined produces beneficial outcomes;
3. target levels for the metrics, including the data sources the target levels are based on and methods for measurement; and
4. the evaluation and reporting protocol that will be used to determine whether verified AI models meet the outcome metrics on an ongoing basis (such as a description of how the entity's methodologies, metrics, benchmarks, and verification processes align with relevant guidance, standards, and frameworks developed by federal and state authorities like the National Institute of Standards and Technology, and international organizations, such as the International Organization for Standardization or the Institute of Electrical and Electronics Engineers).

The application must also include the following information:

1. a detailed explanation of the entity's evaluation and verification processes for its program, including how it determines whether a program participant is using industry best practices (PA 26-100, § 47, instead requires the explanation to include how the program determines whether an AI model, rather than program participant, is using industry best practices);
2. the entity's (a) technical, governance, and audit methodologies for its program; (b) ongoing monitoring, reassessment, and remediation procedures for its program, including corrective action procedures and procedures for suspension, revocation, or verification of good standing; (c) policies to ensure independence and transparency and to avoid conflicts of interest; and (d) governance structure;
3. the qualifications of the entity's personnel who are involved in its program; and
4. any additional information the DCP commissioner requires.

Approval Conditions

Under the act, the DCP commissioner may approve up to five entities for the pilot program. For each approved entity he must enter into a memorandum of understanding (MOU) with each one. (PA 26-100, § 47, eliminates the requirement

that DCP enter into a MOU with each applicant and instead requires the applicant perform substantially similar functions.)

The MOU must:

1. define the scope of the independent verification organization's program and the specific harms or risks to be prevented or mitigated through it;
2. establish (a) minimum verification and auditing standards for people seeking verification from its program and (b) procedures for verification suspension or revocation for participants in its program;
3. require the organization to share data with, and submit an annual report to, DCP, in a way the commissioner prescribes;
4. require each person participating in the program to do so in a way that is transparent to the public; and
5. require the organization to establish procedures for reassessing and, if needed, suspending verification when a program participant makes a material change to a verified AI model, including a material change to the training data, deployment context, or intended use of the verified AI model.

Evidence of Verification or Good Standing

Under the act, evidence of verification or good standing that an independent verification organization provides is admissible only in a civil action by a private party bringing claims for personal injury or property damage caused by an AI model, and only to the extent the action relates to a specific harm or risk within the verification's state-approved scope. But this evidence is not admissible if the person:

1. acted in a willful, wanton, or reckless manner;
2. materially misrepresented information to the independent verification organization; or
3. failed to implement any corrective action the organization required as part of its program.

The act also specifies that evidence of verification or good standing provided by an independent verification organization is not admissible in any civil or administrative enforcement action brought by the attorney general or any state agency and does not give rise to any presumption, inference, or defense in any actions by them.

Suspensions and Revocations

The act allows the DCP commissioner to suspend or revoke an independent verification organization's approval if he determines that:

1. the organization's verification process is ineffective or misleading (including because the organization failed to verify against the metrics, target levels, or specific harms or risks within its program's scope);
2. the organization failed to follow its MOU;
3. the organization is not an independent third-party entity;
4. an AI model verified by the organization's program has caused the type of

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- harm or risk the program supposedly prevents, mitigates, or assesses, and the harm or risk reflects a material deficiency in the program's methodologies, standards, or verification processes; or
5. the organization's continued participation in the pilot program would not be in the public interest.

Evaluation and Report

The act requires DCP, by December 31, 2028, and in consultation with IMRP, to evaluate the pilot program and recommend legislation to modify or extend it. The evaluation must assess the pilot program's performance and impact, including the extent it advanced its purpose. It must specifically include (1) a landscape analysis of other states' legislation, laws, and executive actions that similarly seek to recognize independent third-party entities to verify the safety of AI; and (2) recommended legislation to establish reciprocity between Connecticut and other states, where appropriate and advantageous.

Relatedly, IMRP must develop appropriate evaluation criteria and methodologies, which may cover:

1. the pilot program's structure, requirements, and implementation;
2. whether the pilot program effectively met its goals, including its metrics, the target levels for its metrics, and its target harm mitigation or prevention levels;
3. the extent of industry participation in the pilot program;
4. the pilot program's impact on innovation and economic growth;
5. the effectiveness of the verification standards for program participation; and
6. whether the pilot program should be continued, expanded, modified, or established as a permanent program, and, if so, (a) which state agency should administer the program and (b) what information should be reported to the state agency to ensure that the program is effective.

By January 31, 2029, IMRP must submit a report to the General Law Committee with the evaluation's results.

§ 34 — COMPUTER SCIENCE IN PUBLIC SCHOOL CURRICULUM

Modifies the computer-related component in the state's required program of instruction for public schools and requires that it cover AI and emerging technologies

Under prior law, instruction in computer programming was part of the state's required program of instruction for public schools. Beginning in the 2026-27 school year, the act instead requires computer science to be part of the program and makes instruction in computer programming part of that curriculum as well as AI and emerging technologies.

EFFECTIVE DATE: July 1, 2026

§ 35 — ATTORNEY GENERAL TECHNOLOGY FELLOWSHIP PILOT

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Requires the attorney general, within available appropriations, to partner with a nonprofit organization to develop and administer a technology fellowship pilot program

The act requires the attorney general, within available appropriations, to partner with a nonprofit organization to develop and administer a technology fellowship pilot program. As part of the program, and in consultation with the nonprofit, he must appoint a technology fellow. The fellow must (1) help the attorney general's office gain technical knowledge on AI, cybersecurity, and data privacy and (2) give advice to the office on (a) developing proposed legislation and (b) related material to help the office with its educational and enforcement efforts. The pilot program ends on June 30, 2029.

EFFECTIVE DATE: Upon passage

§ 36 — HIGH VALUE DATA ANALYSIS FOR AI USE

Requires the state's chief data officer to review executive branch agencies' inventory of high value data and identify and publish any that could be useful for AI systems, machine learning, and other statistical means of data analysis

By January 1, 2028, the act requires the chief data officer, in consultation with executive branch agency data officers, to review the inventory of all high value data that these agencies have or collect under existing law. Under existing law, "high value data" is any data that the department head determines:

1. can increase an agency's accountability and responsiveness, improve public knowledge about an agency and its operations, further its core mission, or create economic opportunity;
2. is critical to the agency's operation or used to satisfy any legislative or other reporting requirements; or
3. is frequently requested by the public or responds to a need and demand identified through public consultation (CGS § 4-67o).

Under the act, the chief data officer must identify and publish any of this data that could be useful for AI systems, machine learning, and other statistical means of data analysis. He must do so to create economic opportunity and support state economic development goals, through private businesses, nonprofit organizations, and other entities that will use the data, consistent with applicable laws and regulations.

In reviewing the data, the chief data officer and agency data officers must:

1. identify appropriate data to make available for use by AI systems, machine learning, and other statistical means of data analysis;
2. develop policies and procedures for data quality and governance to ensure data are appropriate for the intended purpose and do not lead to any unlawful discrimination against any person or group of people, or disparate impact on any individual or group, based on any actual or perceived differentiating characteristic (such as age, race, or disability);
3. determine any aggregation, redaction of individually identifiable information, or other techniques needed to ensure and preserve privacy and to satisfy all applicable state or federal laws and regulations for publicly

- disclosing data; and
- 4. determine the procedures for agencies to publish their data on the online repository that the Office of Policy and Management (OPM) operates and maintains under existing law.

EFFECTIVE DATE: July 1, 2027

§ 37 — DAS ANNUAL INVENTORY OF STATE AGENCY AI SYSTEMS

Generally expands the information that must be included in the annual inventory of state agency AI systems

By law, DAS must annually inventory all executive branch state agency systems that use AI. The inventory must include, among other things, whether the system (1) was used to independently make, inform, or materially support a conclusion, decision, or judgment and (2) had an impact assessment before its implementation.

Starting with the inventory due by the end of 2026, the act expands the required information to also include:

1. the date of the last impact assessment;
2. whether the system has access to personally identifiable information of people in the state; and
3. the system's known risks toward individuals in the state, communities, and state employees.

For these components and the existing ones, the act limits their inclusion to the extent it is practicable to do so based on available data.

The act also requires DAS to establish definitions, reporting standards, and submission formats for state agencies to use for their submissions.

§ 38 — STATE AGENCY USE OF AI

Generally prohibits state agencies from using AI to perform certain functions or procuring or acquiring an AI system without complying with OPM and DAS standards; requires agencies to complete an AI impact assessment for authorized acquisitions

The act prohibits any state agency (and any entity acting on its behalf) from directly or indirectly using or applying an AI technology to perform a function that (1) is related to the agency delivering a public assistance benefit to people in the state or (2) will have a material impact on the rights, civil liberties, safety, or welfare of people in the state, unless the use or application is in compliance with policies and standards established by OPM and DAS.

Under this provision, "AI technology" is a computer system, application, or other product that uses or incorporates one or more forms of AI but does not include any cybersecurity tool, data analytics tool, or system where AI is incidental and not determinative. A "state agency" is any office, department, board, council, commission, institution, constituent unit of the state system of higher education, technical education and career school, or other agency in the executive, legislative, or judicial branch of state government.

The act also prohibits state agencies from authorizing any procurement, purchase, or acquisition of any AI technology, unless its use complies with the OPM and DAS policies and standards. Under the act, if such an acquisition is authorized, the agency must complete an AI impact assessment that complies with the policies and standards OPM and DAS establish. The AI impact assessment must be submitted to the DAS commissioner, in a form and way she sets, and posted on the DAS website at least 60 days before the AI technology is deployed. The agency may redact any data in the impact statement to remove anyone's personally identifiable information.

§ 39 — COVERED PLATFORMS AND PERSONALIZED ALGORITHMS

Generally restricts social media platforms, among others, from using personalized algorithms except under certain conditions (such as receiving permission from a parent or guardian if it is a covered minor); requires operators of these platforms to give minors certain warnings related to mental health and to disclose certain information for the previous calendar year

The act places various restrictions and duties on certain “platforms” (Internet websites, online services, online applications, mobile applications, social media platforms, and their parts) and “operators” (individuals and legal entities that operate or provide a platform). It generally prohibits covered platforms from using personalized algorithms except under certain conditions, such as (1) if the user is a covered minor, after having received permission from the minor's parent or legal guardian or (2) when responding to a user's specific search inquiry.

Under the act, covered operators must also give covered minors certain warnings related to mental health (1) when the minor signs on each day, (2) after three hours of use in a day, and (3) after each subsequent hour in that day. The act also limits covered operators to only sending notifications to a covered minor with any personalized algorithmic suggestions between 8:00 a.m. and 9:00 p.m. Eastern Time, unless a parent or legal guardian consents to the notifications at other times. It also generally requires operators to make the platform's default setting, among others, one that limits the minor's access to any portion of the platform that uses a personalized algorithm to one hour per day.

Under the act, covered operators must also annually disclose certain information for the previous calendar year. This includes providing certain statistics about covered users, including the number that obtained parental or guardian consent and used the default setting, as well as the average amount of time users spent on the platform.

The act makes a violation of its provisions a CUTPA violation (see BACKGROUND).

EFFECTIVE DATE: January 1, 2028

Definitions

Under the act, a “covered platform” is any platform that, as a significant part of the services offered, recommends, selects, or prioritizes displaying, concurrently or sequentially, media items (texts, images, or videos) generated or shared on a

platform by its users. A “covered platform” does not include any platform that primarily facilitates the sale of goods or is used solely for educational purposes under a contract required by law when a board of education shares or provides access to student information, student records, or student-generated content with a contractor.

A “covered operator” is any operator who operates or provides a covered platform but does not include the federal government or any state or municipal government (or any agencies or instrumentalities of either three).

A “covered user” is a user of a covered platform in Connecticut who is not acting as the covered platform’s covered operator or as the operator’s agent or affiliate. A “covered minor” is a covered user under age 18.

Conditions for Allowing Personalized Algorithm

Except under certain conditions, the act prohibits covered platforms’ covered operators from allowing covered users to access any part of a covered platform that uses a personalized algorithm (recommends, selects, or prioritizes displaying, either concurrently or sequentially, media items generated or shared by its users if the recommendation, selection, or prioritization is based wholly or partly on any information associated with the covered user or his or her device).

The act allows personalized algorithms to be used if a covered platform’s covered operator (1) uses commercially reasonable and technically feasible methods to determine that the covered user is not a covered minor or (2) if the covered user is a covered minor, gets verifiable consent from the minor’s parent or legal guardian to use the personalized algorithm. (If a covered operator has used commercially reasonable and technically feasible methods to determine a covered user’s age and is unable to determine if the user is a covered minor, the operator may presume the user is not a minor. But the operator must treat a user as a minor if it obtains actual knowledge that the user is a minor.)

Separately, personalized algorithms can also be used if the covered user expressly and unambiguously requests the display, blocking, prioritization, or deprioritization of any:

1. specific media item;
2. media items the user subscribes to from a specific author, creator, poster, or source; or
3. media items shared by users to specific pages or groups that the user has subscribed to.

The use of personalized algorithms is further allowed if it is:

1. based on information that is not persistently associated with the covered user or his or her device, and does not concern the user’s previous interactions with media items generated or shared by other platform users;
2. based on (a) privacy or accessibility settings the covered user selects or (b) technical information concerning the covered user’s device;
3. a media item used in a direct and private communication;
4. solely in response to a specific search inquiry the covered user made;
5. a media item displayed solely because it immediately follows another item

- in a preexisting sequence and is from the same author, creator, poster, or source; or
6. needed to comply with another provision in the act.

Data Use and Retention Restrictions

The act generally prohibits information collected for determining a covered user's age from being used for any other purpose and requires it to be deleted immediately after an attempt to determine the user's age. It similarly prohibits information collected for getting verifiable consent from a covered minor's parent or legal guardian from being used for any other purpose and requires it to be deleted immediately after an attempt to get the consent. However, the act allows both sets of information to be used or retained if needed to comply with a federal or Connecticut law or regulation.

Discretion of Covered Operators

The act prohibits covered operators from withholding, degrading, reducing the quality, or increasing the price of any product, service, or feature due to the act's personalized algorithm restrictions, unless it is needed for the operator to comply with the act's provisions.

Additionally, the act specifies that it does not prohibit a covered operator from restricting access to, or the availability of, any media item that the operator in good faith considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, regardless of whether the item is constitutionally protected.

Disclosure Warnings to Covered Minors

The act generally requires covered operators to ensure that their covered platforms display a clear and conspicuous warning in black lettering against a white background enclosed by a black border reading:

The Surgeon General has warned that while social media may have benefits for some young users, social media is associated with significant mental health harms and has not been proven safe for young users.

The act additionally requires operators to ensure that the required warning is displayed to a covered user (1) when he or she first accesses the covered platform each day and (2) immediately after the user has used the platform for three continuous or noncontinuous hours during the day, and immediately after each additional hour of use during the day, regardless of whether it is continuous or not.

For the first time a user accesses the platform, the warning must occupy at least 75% of the screen or window and be shown continuously for at least 30 seconds without the option of dismissing or shortening the display period. The subsequent

warnings must cover at least 25% of the screen or window and be displayed for at least 10 seconds, but the user may affirmatively dismiss the warning by clicking on a conspicuous “X” icon.

Under the act, the above requirements do not apply when the operator reasonably determines the covered user is not a covered minor.

Restrictions on Notifications to Covered Minors and Default Settings

The act prohibits covered operators from sending any notification to a covered minor with any personalized algorithmic suggestion unless (1) it is sent between 8:00 a.m. and 9:00 p.m. Eastern Time or (2) the operator has verifiable consent from the covered minor’s parent or legal guardian to send notifications outside this timeframe.

The act requires each covered operator to make the covered platform’s default settings, unless otherwise required by the covered minor’s parent or legal guardian (see below), to be ones that:

1. prevent the minor from accessing or receiving any notification with any personalized algorithmic suggestion outside of the allowable time frame;
2. limit the minor’s access to any portion of the platform that uses a personalized algorithm to one hour per day;
3. set the minor’s platform account to a mode that does not allow users other than those connected to the minor to (a) view or respond to content the minor posts or (b) chat or exchange messages with the minor; and
4. prevent the minor from accessing, viewing, or receiving “sensitive content” (content the covered operator deems a violation of the community standards, or a similar guideline or standard the operator has established for the covered platform).

The covered operator must also establish and maintain a mechanism that a covered minor’s verified parent or legal guardian may require for alternative settings to (1) set a different timeframe for accessing or receiving these notifications or using the platform and (2) enable the restricted mode described above.

Public Disclosure

The act requires each covered operator, starting by March 1, 2028, to annually disclose certain information for the previous calendar year in an attorney general-set form and way. This public disclosure must include the:

1. total number of covered users who used the covered operator’s covered platform during the year;
2. portion of the total number of covered users (a) for whom the covered operator obtained verifiable consent from a parent or legal guardian, (b) that had the default settings enabled, and (c) that did not have the default settings enabled; and
3. average amount of time per day that covered users used the covered platform, broken down by user age and hour of day.

OLR PUBLIC ACT SUMMARY

Applicability

The act specifies that it does not:

1. require a covered operator to give a covered minor's parent or legal guardian access to, or control over, the minor's covered platform account or any data associated with it, unless the access or control is specifically required by the act, or
2. impose liability for any commercial activity or action by a covered operator subject to the federal Children's Online Privacy Protection Act (COPPA) that is inconsistent with how COPPA treats commercial activity or action.

BACKGROUND

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in certain cases, impose civil penalties of up to \$5,000, 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.