## ENGROSSED SECOND SUBSTITUTE SENATE BILL 5838

AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

## State of Washington 68th Legislature 2024 Regular Session

By Senate Ways & Means (originally sponsored by Senators Nguyen, Conway, Dhingra, Frame, Hasegawa, Hunt, Keiser, Kuderer, Liias, Lovelett, Lovick, Muzzall, Nobles, Saldaña, Salomon, Stanford, Torres, Valdez, and Wellman; by request of Attorney General)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to establishing an artificial intelligence task 2 force; creating new sections; providing an expiration date; and 3 declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

<u>NEW SECTI</u>ON. The legislature finds that artificial 5 Sec. 1. 6 intelligence is a fast-evolving technology that holds extraordinary 7 potential and has a myriad of uses for both the public and private sectors. Advances in artificial intelligence technology have led to 8 programs that are capable of creating text, audio, and media that are 9 10 difficult to distinguish from media created by a human. This 11 technology has the potential to provide great benefits to people if 12 used well and to cause great harm if used irresponsibly.

13 The legislature further finds that generative artificial 14 intelligence has become widely available to consumers and has great 15 potential to become a versatile tool for a wide audience. It can 16 streamline tasks, save time and money for users, and facilitate 17 further innovation. Artificial intelligence has the potential to help 18 solve urgent challenges, while making our world more prosperous, productive, innovative, and secure when used responsibly. 19

20 Washington state is in a unique position to become a center for 21 artificial intelligence and machine learning. When used

irresponsibly, artificial intelligence has the potential to further perpetuate bias and harm to historically excluded groups. It is vital that the fundamental rights to privacy and freedom from discrimination are properly safeguarded as society explores this emerging technology.

6 The federal government has not yet enacted binding regulations, however in July 2023, the federal government announced voluntary 7 commitments by seven leading artificial intelligence companies, 8 including three companies headquartered in Washington, to move toward 9 safe, secure, and transparent development of artificial intelligence 10 11 technology. The October 2023 executive order on the safe, secure, and 12 trustworthy development and use of artificial intelligence builds on this work by directing developers of artificial intelligence systems 13 to share their safety test results for certain highly capable models 14 with the United States government. 15

Numerous businesses and agencies have developed principles for artificial intelligence. In Washington, Washington technology solutions (WaTech) developed guiding principles for artificial intelligence use by state agencies. These principles share common themes: Accountability, transparency, human control, privacy and security, advancing equity, and promoting innovation and economic development.

23 The legislature finds that the possible impacts of advancements in generative artificial intelligence for Washingtonians requires 24 25 careful consideration in order to mitigate risks and potential harms, 26 while promoting transparency, accountability, equity, and innovation that drives technological breakthroughs. On January 30, 2024, 27 governor Inslee issued Executive Order 24-01 directing WaTech to 28 29 identify generative artificial intelligence initiatives that could be implemented in state operations and issue guidelines for public 30 31 sector procurement and usage.

32 <u>NEW SECTION.</u> Sec. 2. (1) Subject to the availability of amounts 33 appropriated for this specific purpose, a task force to assess 34 current uses and trends and make recommendations to the legislature 35 regarding guidelines and potential legislation for the use of 36 artificial intelligence systems is established.

37 (2) The task force is composed of an executive committee38 consisting of members as provided in this subsection.

1 (a) The president of the senate shall appoint one member from 2 each of the two largest caucuses of the senate.

3 (b) The speaker of the house of representatives shall appoint one 4 member from each of the two largest caucuses of the house of 5 representatives.

6 (c) The attorney general shall appoint the following members, 7 selecting only individuals with experience in technology policy:

8 (i) One member from the office of the governor;

9 (ii) One member from the office of the attorney general;

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11 (iv) One member from the Washington state auditor;

(v) One member representing universities or research institutions that are experts in the design and effect of an algorithmic system;

(iii) One member from Washington technology solutions;

(vi) One member representing private technology industry groups;
(vii) One member representing business associations;

16 (viii) Three members representing community advocate 17 organizations that represent communities that are disproportionately 18 vulnerable to being harmed by algorithmic bias;

19 (ix) One member representing the LGBTQ+ community;

20 (x) One member representing the retail industry;

21 (xi) One member representing the hospitality industry;

(xii) One member representing statewide labor organizations; and
(xiii) One member representing public safety.

24 (d) The task force may meet in person or by telephone conference 25 call, videoconference, or other similar telecommunications method, or 26 a combination of such methods.

(e) The executive committee may convene subcommittees to advise
the task force on the recommendations and findings set out in
subsection (4) of this section.

(i) The executive committee shall define the scope of activity and subject matter focus required of the subcommittees including, but not limited to: Education and workforce development; public safety and ethics; health care and accessibility; labor; government and public sector efficiency; state security and cybersecurity; consumer protection and privacy; and industry and innovation.

36 (ii) Subcommittees and their members may be invited to 37 participate on an ongoing, recurring, or one-time basis.

38 (iii) The executive committee in collaboration with the attorney 39 general shall appoint members to the subcommittees that must be 40 comprised of industry participants, subject matter experts,

representatives of federally recognized tribes, or other relevant
 stakeholders.

(iv) Each subcommittee must contain at least one member 3 possessing relevant industry expertise and at least one member from 4 an advocacy organization that represents communities that are 5 6 disproportionately vulnerable to being harmed by algorithmic bias including, but not limited to: African American; Hispanic American; 7 Native American; Asian American; Native Hawaiian and Pacific Islander 8 communities; religious minorities; individuals with disabilities; and 9 other vulnerable communities. 10

(v) Meeting summaries and reports delivered by the subcommittees to the executive committee must be made available on the attorney general's website within 30 days of delivery.

(3) The office of the attorney general must administer and 14 provide staff support for the task force. The office of the attorney 15 16 general may, when deemed necessary by the task force, retain 17 consultants to provide data analysis, research, recommendations, training, and other services to the task force for the purposes 18 provided in subsection (4) of this section. The office of the 19 attorney general may work with the task force to determine 20 21 appropriate subcommittees as needed.

(4) The executive committee and subcommittees of the task force shall examine the development and use of artificial intelligence by private and public sector entities and make recommendations to the legislature regarding guidelines and potential legislation for the use and regulation of artificial intelligence systems to protect Washingtonians' safety, privacy, and civil and intellectual property rights. The task force findings and recommendations must include:

(a) A literature review of public policy issues with artificial
 intelligence, including benefits and risks to the public broadly,
 historically excluded communities, and other identifiable groups,
 racial equity considerations, workforce impacts, and ethical
 concerns;

34 (b) A review of existing protections under state and federal law 35 for individual data and privacy rights, safety, civil rights, and 36 intellectual property rights, and how federal, state, and local laws 37 relating to artificial intelligence align, differ, conflict, and 38 interact across levels of government;

39 (c) A recommended set of guiding principles for artificial 40 intelligence use informed by standards established by relevant

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1 bodies, including recommending a definition for ethical artificial 2 intelligence and guiding principles;

3 (d) Identification of high-risk uses of artificial intelligence, 4 including those that may negatively affect safety or fundamental 5 rights;

6 (e) Opportunities to support and promote the innovation of 7 artificial intelligence technologies through grants and incentives;

8 (f) Recommendations on appropriate uses of and limitations on the 9 use of artificial intelligence by state and local governments and the 10 private sector;

11 (g) Recommendations relating to the appropriate and legal use of 12 training data;

(h) Algorithmic discrimination issues which may occur when 13 14 artificial intelligence systems are used and contribute to unjustified differential treatment or impacts disfavoring people on 15 16 the basis of race, color, national origin, citizen or immigration status, families with children, creed, religious belief 17 or 18 affiliation, sex, marital status, the presence of any sensory, 19 mental, or physical disability, age, honorably discharged veteran or military status, sexual orientation, gender expression or gender 20 21 identity, or any other protected class under RCW 49.60.010 and 22 recommendations to mitigate and protect against algorithmic 23 discrimination;

(i) Recommendations on minimizing unlawful discriminatory orbiased outputs or applications;

(j) Recommendations on prioritizing transparency so that the behavior and functional components artificial intelligence can be understood in order to enable the identification of performance issues, safety and privacy concerns, biases, exclusionary practices, and unintended outcomes;

(k) Racial equity issues posed by artificial intelligence systems
 and ways to mitigate the concerns to build equity into the systems;

33 (1) Civil liberties issues posed by artificial intelligence 34 systems and civil rights and civil liberties protections to be 35 incorporated into artificial intelligence systems;

36 (m) Recommendations as to how the state should educate the public 37 on the development and use of artificial intelligence, including 38 information about data privacy and security, data collection and 39 retention practices, use of individual data in machine learning, and

intellectual property considerations regarding generative artificial intelligence;

3 (n) A review of protections of personhood, including replicas of
4 voice or likeness, in typical contract structures, and a review of
5 artificial intelligence tools used to support employment decisions;

6 (o) Proposed state guidelines for the use of artificial 7 intelligence to inform the development, deployment, and use of 8 artificial intelligence systems to:

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(i) Retain appropriate human agency and oversight;

10 (ii) Be subject to internal and external security testing of 11 systems before public release for high-risk artificial intelligence 12 systems;

13 (iii) Protect data privacy and security;

14 (iv) Promote appropriate transparency for consumers when they 15 interact with artificial intelligence systems or products created by 16 artificial intelligence; and

17 (v) Ensure accountability, considering oversight, impact 18 assessment, auditability, and due diligence mechanisms;

(p) A review of existing civil and criminal remedies for addressing potential harms resulting from the use of artificial intelligence systems and recommendations, if needed, for new means of enforcement and remedies; and

23 (q) Recommendations for establishing an ongoing committee that 24 must study emerging technologies not limited to artificial 25 technology.

(5) The executive committee of the task force must hold its first 26 27 meeting within 45 days of final appointments to the task force and 28 must meet at least twice each year thereafter. The task force must submit reports to the governor and the appropriate committees of the 29 legislature detailing its findings and recommendations. A preliminary 30 31 report must be delivered by December 31, 2024, an interim report by 32 December 1, 2025, and a final report by July 1, 2026. Meeting summaries must be posted to the website of the attorney general's 33 office within 30 days of any meeting by the task force. 34

35 (6) Legislative members of the task force shall be reimbursed for 36 travel expenses in accordance with RCW 44.04.120. Nonlegislative 37 members are not entitled to be reimbursed for travel expenses if they 38 are elected officials or are participating on behalf of an employer, 39 governmental entity, or other organization. Any reimbursement for 40 other nonlegislative members is subject to chapter 43.03 RCW.

1 (7) To ensure that the task force has diverse and inclusive 2 representation of those affected by its work, task force members, 3 including subcommittee members, whose participation in the task force 4 may be hampered by financial hardship and may be compensated as 5 provided in RCW 43.03.220.

6 (8) The definitions in this subsection apply throughout this 7 section unless the context clearly requires otherwise.

8 (a) "Artificial intelligence" means the use of machine learning 9 and related technologies that use data to train statistical models 10 for the purpose of enabling computer systems to perform tasks 11 normally associated with human intelligence or perception, such as 12 computer vision, speech or natural language processing, and content 13 generation.

14 (b) "Generative artificial intelligence" means an artificial 15 intelligence system that generates novel data or content based on a 16 foundation model.

17 (c) "Machine learning" means the process by which artificial 18 intelligence is developed using data and algorithms to draw 19 inferences therefrom to automatically adapt or improve its accuracy 20 without explicit programming.

(d) "Training data" means labeled data that is used to teach artificial intelligence models or machine learning algorithms to make proper decisions. Training data may include, but is not limited to, annotated text, images, video, or audio.

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(9) This section expires June 30, 2027.

26 <u>NEW SECTION.</u> Sec. 3. This act is necessary for the immediate 27 preservation of the public peace, health, or safety, or support of 28 the state government and its existing public institutions, and takes 29 effect immediately.

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