

HOUSE BILL REPORT

HB 1934

As Reported by House Committee On:
Consumer Protection & Business
Appropriations

Title: An act relating to establishing an artificial intelligence task force.

Brief Description: Establishing an artificial intelligence task force.

Sponsors: Representatives Couture, Slatter, Volz, Waters, Rude, Hutchins, Walen, Sandlin, Schmidt, Duerr, Ramos, Ramel, Callan, Kloba, Street, Donaghy, Cheney, Goodman, Ortiz-Self, Reeves, Riccelli and Pollet; by request of Attorney General.

Brief History:

Committee Activity:

Consumer Protection & Business: 1/19/24, 1/31/24 [DPS];
Appropriations: 2/3/24, 2/5/24 [DP2S(w/o sub CPB)].

Brief Summary of Second Substitute Bill

- Establishes a task force administered by the Office of the Attorney General to assess uses and trends, and make recommendations for the use and regulation of generative artificial intelligence systems.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Walen, Chair; Reeves, Vice Chair; Robertson, Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Connors, Donaghy, Hackney, Sandlin and Volz.

Minority Report: Do not pass. Signed by 1 member: Representative Santos.

Minority Report: Without recommendation. Signed by 2 members: Representatives Chapman and Ryu.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Michelle Rusk (786-7153).

Background:

Artificial Intelligence.

Artificial intelligence (AI) is defined and understood in different ways. The National Artificial Intelligence Initiative Act of 2020 (Act) defines AI as a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. The Act further describes AI systems as systems using machine- and human-based inputs to: (1) perceive real and virtual environments; (2) abstract such perceptions into models through analysis in an automated manner; and (3) use model inference to formulate options for information or action.

The Act established the National Artificial Intelligence Initiative, implemented by the United States President and tasked with ensuring continued United States leadership in AI research and development, leading the world in the development and use of trustworthy AI systems in the public and private sectors, preparing the United States workforce for integration of AI systems across all sectors, and coordinating ongoing AI research and development among government agencies.

By executive order, the White House adopted the Act's definition of AI, and defined related concepts including "generative AI," as the class of AI models that emulate the structure and characteristics of input data in order to generate derived synthetic content, which may include images, videos, audio, text, and other digital content. State law does not define AI, or expressly regulate its use.

Summary of Substitute Bill:

Task Force Established.

Subject to the availability of amounts appropriated, a task force is established to assess uses and trends, and make recommendations for the use and regulation of generative AI systems. The task force must examine the development and use of generative AI by private and public sector entities and make recommendations regarding standards for its use and regulation.

The task force findings and recommendations must include:

- a literature review of public policy issues with generative AI;
- a review of existing protections under state and federal law for individual data and privacy rights, safety, civil rights, and intellectual property rights, and how laws relating to generative AI align, differ, conflict, and interact across levels of government;
- a recommended set of guiding principles for generative AI use;
- identification of high-risk uses of AI;

- opportunities to support and protect innovation of generative AI technology;
- recommendations on appropriate uses and limitations on the use of generative AI by state and local governments and the private sector;
- racial equity issues posed by generative AI systems and ways to mitigate concerns;
- civil liberties issues posed by AI systems and potential civil rights and civil liberties protections;
- recommendations for how the state should educate the public on the development and use of generative AI;
- proposed state regulatory structures for the use of generative AI to require the development, deployment, and use of AI systems to: (1) retain appropriate human agency and oversight; (2) be subject to internal and external security testing of systems before public release; (3) protect data privacy and security; (4) ensure transparency for consumers; and (5) ensure accountability; and
- recommendations for establishing an ongoing committee that must study emerging technologies not limited to artificial intelligence.

The Office of the Attorney General (AGO) may convene subcommittees on topics including commerce, labor, education, law enforcement, and health care. Each subcommittee must contain members with relevant qualifications and background for the subcommittee's subject matter.

Membership.

The membership of the task force includes:

- four members total, one each from the two largest caucuses of the House of Representatives and the Senate;
- one representative from the AGO;
- the following members appointed by the AGO:
 - eight members representing private technology industry groups or business associations, and subject matter experts with AI expertise;
 - four members representing community advocate organizations that represent communities that are disproportionately vulnerable to being harmed by algorithmic bias;
 - two members representing statewide labor organizations;
 - two members representing the public sector and government;
 - two members representing universities or research institutions;
 - one member representing law enforcement; and
 - one member representing Washington Technology Solutions.

Administration.

The AGO must administer and provide staff support for the task force, and may retain consultants when deemed necessary to support the task force's work. The task force must hold its first meeting within 45 days of final appointments to the task force and meet at least twice each year.

A preliminary report from the task force must be delivered to the Governor and Legislature by December 31, 2024; an interim report by July 1, 2025; and a final report by November 1, 2025.

Definitions.

The following definitions are established:

- "Artificial intelligence" means a technology-based system that can, for a given set of human defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments.
- "Generative artificial intelligence" means technology that can mimic human ability to learn patterns from substantial amounts of data and create content based on the underlying training data, guided by a user or prompt.
- "Machine learning" means a process by which an AI is fed significant volumes of data allowing the AI to learn and adapt without following explicit instructions from a developer.

Substitute Bill Compared to Original Bill:

The substitute bill:

- changes the membership of the task force as follows:
 - four members total, one each from the two largest caucuses of the House of Representatives and the Senate;
 - one representative from the AGO;
 - the following members appointed by the AGO:
 - eight members representing private technology industry groups or business associations, and subject matter experts with AI expertise;
 - four members representing community advocate organizations that represent communities that are disproportionately vulnerable to being harmed by algorithmic bias;
 - two members representing statewide labor organizations;
 - two members representing the public sector and government;
 - two members representing universities or research institutions;
 - one member representing law enforcement; and
 - one member representing Washington Technology Solutions.
- modifies the task force's authority to convene subcommittees for specified purposes;
- directs the task force to develop recommendations for establishing an ongoing committee to study emerging technologies not limited to AI;
- requires the task force to hold its first meeting within 45 days of final task force membership appointments;
- changes the task force's reporting deadlines;
- modifies the definition of AI; and
- makes the bill subject to an emergency clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) In the last year or so it has become clear that both concern and excitement about artificial intelligence (AI) are permeating the national consciousness. There is a wide spectrum of belief about AI, as evident by every state, the federal government, foreign entities, and private business, all using different definitions to describe AI. It is important that state government is responsive now. This bill establishes a task force with experts on AI and public policy to help the Legislature understand how to move forward in this area in a responsible manner. Sometimes, new technology is great and can be a powerful tool, but the government must recognize that sometimes guardrails are needed to protect civil liberties and keep people safe.

There are still some issues to work through, such as who will sit on the task force and what the right balance is between government, the private sector, and others with experience, participating in the task force's work, and what the task force's final scope of work is. Additionally, the 2027 deadline is too late, because there are harms happening right now regarding safety, privacy, and intellectual property.

(Opposed) None.

(Other) Washington is uniquely positioned to become a hub for AI innovation. It will be very important to have clear definitions and equitable task force membership. There are specific concerns about representation of individuals from labor. The task force should be balanced to benefit from the experience, perspective, and concerns of labor. Retail support is contingent upon addressing concerns about membership and the timeline of the task force. The timeline should be extended 1 to 2 years, and the administrator of the task force should be neutral without voting authority.

The premature nature of the proposed task force is deeply concerning. The federal government recently showed caution, recognizing that certain oversight might be premature. Oversight of the taskforce by democrats and liberal organizations may impact the nature of the task force. This committee should heed the caution and restraint shown at the federal level. There must be true bipartisan participation on this task force.

Persons Testifying: (In support) Representative Travis Couture, prime sponsor; Jai Jaisimha and Robert Eleveld, Transparency Coalition; Tathagata Pal, Professional Student Association Washington State University; and Rosa Mai.

(Other) Crystal Leatherman, Washington Retail Association; Joy Gjersvold, Conservative Ladies of Washington; Nicole Gomez, Washington Federation of State Employees; Ashley Sutton, TechNet; Robert Battles, Association of Washington Business; and Kelly Fukai, Washington Technology Industry Association .

Persons Signed In To Testify But Not Testifying: Matthew Lenz, The Software Association; Paula Sardinias, Washington Build Back Black Alliance and FMS Global Strategies; Susanna Jones; Eric Pratt; and Montana Miranda, Washington Hospitality Association.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Consumer Protection & Business. Signed by 29 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chopp, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Stokesbary, Stonier, Tharinger and Wilcox.

Minority Report: Without recommendation. Signed by 1 member: Representative Ryu.

Staff: Jessica Van Horne (786-7288).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Consumer Protection & Business:

The second substitute bill adds a representative of the Office of the State Auditor as a member of the task force.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) The state needs to fully understand the impacts of artificial intelligence (AI) before making policy decisions. The task force created in this bill represents a low and slow approach so that the state and the Legislature has information and recommendations

before crafting regulations. The task force will be bipartisan and include members with a wide range of expertise in AI. Fully funding the task force is important to ensure the task force has all the resources it needs. AI technology presents amazing potential, but also unprecedented risks. Membership is a big challenge, but the substitute bill has gone the right direction by establishing subcommittees to allow for focused expertise and a more productive process.

(Opposed) It is troubling to put this potentially very impactful task force in the Office of the Attorney General, as it could prevent a balanced approach. The task force should encompass more areas than what is in the bill. Some state agencies are already using AI technology in ways that could demonstrate bias against certain political opinions. There is not enough representation of the public or civil society in this task force. There are already existing laws and regulations to protect the public from AI, so this task force is redundant.

(Other) Retailers are one of the top industries using AI and should have a seat at the table. It is wise to have a robust task force to provide input on the future use of AI rather than immediately pass regulations. One concern is that the timeline is too aggressive for meaningful discussions and developing good recommendations. Having reporting deadlines at the same time that various state elected positions will be transitioning under a new administration could present some problems. Extending the timeline of the task force by one to two years is preferred. The inclusion of business and industry experts in the task force is appreciated.

Persons Testifying: (In support) Representative Travis Couture, prime sponsor; Manveer Sandhu, Attorney General's Office; and Larry Shannon, Washington State Association for Justice.

(Opposed) Eric Pratt; and Julie Barrett, Conservative Ladies of Washington.

(Other) Crystal Leatherman, Washington Retail Association; Robert Battles, Association of Washington Business; and Montana Miranda, Washington Hospitality Association.

Persons Signed In To Testify But Not Testifying: None.