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**SECOND SUBSTITUTE HOUSE BILL 1833**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Keaton, Barnard, Penner, Eslick, and Salahuddin)

READ FIRST TIME 02/04/26.

1 AN ACT Relating to creating an artificial intelligence grant  
2 program to promote the economic development of innovative uses of  
3 artificial intelligence; amending 2024 c 163 s 2 (uncodified); adding  
4 new sections to chapter 43.330 RCW; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that fostering  
7 technological innovation is essential for Washington state's economic  
8 growth and long-term competitiveness. By investing in emerging  
9 technologies, including artificial intelligence, the state can access  
10 new sources of revenue, create high paying jobs, and position itself  
11 as a national leader in cutting-edge industries. Artificial  
12 intelligence-driven solutions have the potential to address critical  
13 statewide challenges, such as predicting and managing wildfires,  
14 improving the effectiveness of cybersecurity, and improving public  
15 health responses. Supporting the development of these technologies  
16 will not only strengthen Washington's economy, but also enhance  
17 public safety and government efficiency.

18 Therefore, the legislature intends to authorize the establishment  
19 of an innovation grant program to support organizations that create  
20 transformative new technologies. These grants will provide critical  
21 funding to startups, research institutions, and companies working on

1 advancements with broad public benefits, ensuring that Washington  
2 remains at the forefront of technological progress. By encouraging  
3 innovation, this act will drive economic expansion, attract private  
4 investment, and equip the state with cutting-edge tools to address  
5 its most pressing challenges.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330  
7 RCW to read as follows:

8 (1) The department is authorized to establish the spark act grant  
9 program to promote the economic development of innovative uses of  
10 artificial intelligence.

11 (2) The department may solicit input from the artificial  
12 intelligence task force, created in chapter 163, Laws of 2024, no  
13 less than once per year through 2027, to identify state priorities to  
14 form the basis of the grants. When the department evaluates  
15 applications, it shall prioritize:

16 (a) An applicant that has committed to ethical uses of artificial  
17 intelligence;

18 (b) An applicant that has analyzed the risks associated with its  
19 product;

20 (c) Small businesses; and

21 (d) Projects with statewide impact.

22 (3) The department may award grants on an annual basis or more  
23 frequently.

24 (4) The department may take all appropriate steps to seek and  
25 apply for federal funds, and other grants, and accept donations, and  
26 must deposit these funds in the spark act grant program account  
27 created in section 3 of this act.

28 (5) Eligible applicants shall apply for the grant program in a  
29 manner to be determined by the department. To be eligible, an  
30 applicant's proposal must include technology that will be shared with  
31 the state and provide a state benefit, such as wildfire tracking,  
32 cybersecurity, or health care advancements.

33 (6) The department may identify relevant federal grants related  
34 to the economic development of innovative uses of artificial  
35 intelligence in its inventory of grant opportunities required by RCW  
36 43.330.260.

37 (7) For the purposes of this section, "artificial intelligence"  
38 means the use of machine learning and related technologies that use  
39 data to train statistical models for the purpose of enabling computer

1 systems to perform tasks normally associated with human intelligence  
2 or perception, such as computer vision, speech or natural language  
3 processing, and content generation.

4 (8) The department may adopt rules to implement this section.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330  
6 RCW to read as follows:

7 The spark act grant program account is created in the custody of  
8 the state treasurer. All receipts from federal funds and gifts,  
9 grants, and donations must be deposited into the account.  
10 Expenditures from the account may be used only for the spark act  
11 grant program under section 2 of this act, including administrative  
12 expenses. Only the director of the department or the director's  
13 designee may authorize expenditures from the account. The account is  
14 subject to allotment procedures under chapter 43.88 RCW, but an  
15 appropriation is not required for expenditures.

16 **Sec. 4.** 2024 c 163 s 2 (uncodified) is amended to read as  
17 follows:

18 (1) Subject to the availability of amounts appropriated for this  
19 specific purpose, a task force to assess current uses and trends and  
20 make recommendations to the legislature regarding guidelines and  
21 potential legislation for the use of artificial intelligence systems  
22 is established.

23 (2) The task force is composed of an executive committee  
24 consisting of members as provided in this subsection.

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

27 (b) The speaker of the house of representatives shall appoint one  
28 member from each of the two largest caucuses of the house of  
29 representatives.

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

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

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

34 (iii) One member from Washington technology solutions;

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

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

38 (vi) One member representing private technology industry groups;

1 (vii) One member representing business associations;  
2 (viii) Three members representing community advocate  
3 organizations that represent communities that are disproportionately  
4 vulnerable to being harmed by algorithmic bias;  
5 (ix) One member representing the LGBTQ+ community;  
6 (x) One member representing the retail industry;  
7 (xi) One member representing the hospitality industry;  
8 (xii) One member representing statewide labor organizations; and  
9 (xiii) One member representing public safety.

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

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

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

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

24 (iii) The executive committee in collaboration with the attorney  
25 general shall appoint members to the subcommittees that must be  
26 comprised of industry participants, subject matter experts,  
27 representatives of federally recognized tribes, or other relevant  
28 stakeholders.

29 (iv) Each subcommittee must contain at least one member  
30 possessing relevant industry expertise and at least one member from  
31 an advocacy organization that represents communities that are  
32 disproportionately vulnerable to being harmed by algorithmic bias  
33 including, but not limited to: African American; Hispanic American;  
34 Native American; Asian American; Native Hawaiian and Pacific Islander  
35 communities; religious minorities; individuals with disabilities; and  
36 other vulnerable communities.

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

1       (vi) The executive committee may identify and direct the  
2 appropriate subcommittee to provide input, no less than once per  
3 year, to assist the department of commerce in the identification of  
4 state priorities to form the basis of the spark act grants that will  
5 promote the economic development of innovative uses of artificial  
6 intelligence, pursuant to section 2 of this act.

7       (3) The office of the attorney general must administer and  
8 provide staff support for the task force. The office of the attorney  
9 general may, when deemed necessary by the task force, retain  
10 consultants to provide data analysis, research, recommendations,  
11 training, and other services to the task force for the purposes  
12 provided in subsection (4) of this section. The office of the  
13 attorney general may work with the task force to determine  
14 appropriate subcommittees as needed.

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

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

27       (b) A review of existing protections under state and federal law  
28 for individual data and privacy rights, safety, civil rights, and  
29 intellectual property rights, and how federal, state, and local laws  
30 relating to artificial intelligence align, differ, conflict, and  
31 interact across levels of government;

32       (c) A recommended set of guiding principles for artificial  
33 intelligence use informed by standards established by relevant  
34 bodies, including recommending a definition for ethical artificial  
35 intelligence and guiding principles;

36       (d) Identification of high-risk uses of artificial intelligence,  
37 including those that may negatively affect safety or fundamental  
38 rights;

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

1 (f) Recommendations on appropriate uses of and limitations on the  
2 use of artificial intelligence by state and local governments and the  
3 private sector;

4 (g) Recommendations relating to the appropriate and legal use of  
5 training data;

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

17 (i) Recommendations on minimizing unlawful discriminatory or  
18 biased outputs or applications;

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

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

26 (l) Civil liberties issues posed by artificial intelligence  
27 systems and civil rights and civil liberties protections to be  
28 incorporated into artificial intelligence systems;

29 (m) Recommendations as to how the state should educate the public  
30 on the development and use of artificial intelligence, including  
31 information about data privacy and security, data collection and  
32 retention practices, use of individual data in machine learning, and  
33 intellectual property considerations regarding generative artificial  
34 intelligence;

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

38 (o) Proposed state guidelines for the use of artificial  
39 intelligence to inform the development, deployment, and use of  
40 artificial intelligence systems to:

1 (i) Retain appropriate human agency and oversight;  
2 (ii) Be subject to internal and external security testing of  
3 systems before public release for high-risk artificial intelligence  
4 systems;  
5 (iii) Protect data privacy and security;  
6 (iv) Promote appropriate transparency for consumers when they  
7 interact with artificial intelligence systems or products created by  
8 artificial intelligence; and  
9 (v) Ensure accountability, considering oversight, impact  
10 assessment, auditability, and due diligence mechanisms;  
11 (p) A review of existing civil and criminal remedies for  
12 addressing potential harms resulting from the use of artificial  
13 intelligence systems and recommendations, if needed, for new means of  
14 enforcement and remedies; and  
15 (q) Recommendations for establishing an ongoing committee that  
16 must study emerging technologies not limited to artificial  
17 technology.

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

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

33 (7) To ensure that the task force has diverse and inclusive  
34 representation of those affected by its work, task force members,  
35 including subcommittee members, whose participation in the task force  
36 may be hampered by financial hardship and may be compensated as  
37 provided in RCW 43.03.220.

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

1 (a) "Artificial intelligence" means the use of machine learning  
2 and related technologies that use data to train statistical models  
3 for the purpose of enabling computer systems to perform tasks  
4 normally associated with human intelligence or perception, such as  
5 computer vision, speech or natural language processing, and content  
6 generation.

7 (b) "Generative artificial intelligence" means an artificial  
8 intelligence system that generates novel data or content based on a  
9 foundation model.

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

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

18 (9) This section expires June 30, 2027.

19 NEW SECTION. **Sec. 5.** This act may be known and cited as the  
20 spark act.

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