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**HOUSE BILL 1833**

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**State of Washington                      69th Legislature                      2025 Regular Session**

**By** Representatives Keaton, Barnard, Penner, Eslick, and Salahuddin

Read first time 02/04/25. Referred to Committee on Appropriations.

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 establish an innovation  
19 grant program to support organizations that create transformative new  
20 technologies. These grants will provide critical funding to startups,  
21 research institutions, and companies working on advancements with

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

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

8 (1) Subject to the availability of amounts appropriated for this  
9 specific purpose, the department shall establish the spark act grant  
10 program to promote the economic development of innovative uses of  
11 artificial intelligence.

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

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

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

21 (c) Small businesses; and

22 (d) Projects with statewide impact.

23 (3) The department shall award grants on at least an annual  
24 basis.

25 (4) The department shall pursue all available opportunities for  
26 federal funding and solicit private donations for the spark act grant  
27 program account created in section 4 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 shall 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 (1) Beginning October 31, 2027, the department shall report on  
8 the spark act grant program established in section 2 of this act. The  
9 report must be updated every two years, posted on the department's  
10 website, and transmitted to the governor and the legislature in  
11 accordance with RCW 43.01.036.

12 (2) The report must identify the: Priorities identified for the  
13 reporting period; number of applications received by the department;  
14 number and amount of grants awarded; types of projects supported by  
15 the grants; and source of revenues for the grants.

16 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330  
17 RCW to read as follows:

18 (1) The spark act grant program account is created in the custody  
19 of the state treasurer. Revenues to the account consist of  
20 appropriation by the legislature, donated funds from private and  
21 public sources, federal funding, and all other sources deposited in  
22 the fund.

23 (2) Expenditures from the account may be used only for the spark  
24 act grant program under section 2 of this act, including  
25 administrative expenses. Only the director of the department, or the  
26 director's designee, may authorize expenditures from the account. The  
27 account is subject to the allotment procedures under chapter 43.88  
28 RCW, but an appropriation is not required for expenditures.

29 **Sec. 5.** 2024 c 163 s 2 (uncodified) is amended to read as  
30 follows:

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

36 (2) The task force is composed of an executive committee  
37 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;

10 (iii) One member from Washington technology solutions;

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

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

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

15 (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;

22 (xii) One member representing statewide labor organizations; and

23 (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.

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

30 (i) The executive committee shall define the scope of activity  
31 and subject matter focus required of the subcommittees including, but  
32 not limited to: Education and workforce development; public safety  
33 and ethics; health care and accessibility; labor; government and  
34 public sector efficiency; state security and cybersecurity; consumer  
35 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,

1 representatives of federally recognized tribes, or other relevant  
2 stakeholders.

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

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

14 (vi) The executive committee shall identify and direct the  
15 appropriate subcommittee to provide input, no less than once per  
16 year, to assist the department of commerce in the identification of  
17 state priorities to form the basis of the spark act grants that will  
18 promote the economic development of innovative uses of artificial  
19 intelligence, pursuant to section 2 of this act.

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

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

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

1 (b) A review of existing protections under state and federal law  
2 for individual data and privacy rights, safety, civil rights, and  
3 intellectual property rights, and how federal, state, and local laws  
4 relating to artificial intelligence align, differ, conflict, and  
5 interact across levels of government;

6 (c) A recommended set of guiding principles for artificial  
7 intelligence use informed by standards established by relevant  
8 bodies, including recommending a definition for ethical artificial  
9 intelligence and guiding principles;

10 (d) Identification of high-risk uses of artificial intelligence,  
11 including those that may negatively affect safety or fundamental  
12 rights;

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

15 (f) Recommendations on appropriate uses of and limitations on the  
16 use of artificial intelligence by state and local governments and the  
17 private sector;

18 (g) Recommendations relating to the appropriate and legal use of  
19 training data;

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

31 (i) Recommendations on minimizing unlawful discriminatory or  
32 biased outputs or applications;

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

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

1 (l) Civil liberties issues posed by artificial intelligence  
2 systems and civil rights and civil liberties protections to be  
3 incorporated into artificial intelligence systems;

4 (m) Recommendations as to how the state should educate the public  
5 on the development and use of artificial intelligence, including  
6 information about data privacy and security, data collection and  
7 retention practices, use of individual data in machine learning, and  
8 intellectual property considerations regarding generative artificial  
9 intelligence;

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

13 (o) Proposed state guidelines for the use of artificial  
14 intelligence to inform the development, deployment, and use of  
15 artificial intelligence systems to:

16 (i) Retain appropriate human agency and oversight;

17 (ii) Be subject to internal and external security testing of  
18 systems before public release for high-risk artificial intelligence  
19 systems;

20 (iii) Protect data privacy and security;

21 (iv) Promote appropriate transparency for consumers when they  
22 interact with artificial intelligence systems or products created by  
23 artificial intelligence; and

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

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

30 (q) Recommendations for establishing an ongoing committee that  
31 must study emerging technologies not limited to artificial  
32 technology.

33 (5) The executive committee of the task force must hold its first  
34 meeting within 45 days of final appointments to the task force and  
35 must meet at least twice each year thereafter. The task force must  
36 submit reports to the governor and the appropriate committees of the  
37 legislature detailing its findings and recommendations. A preliminary  
38 report must be delivered by December 31, 2024, an interim report by  
39 December 1, 2025, and a final report by July 1, 2026. Meeting

1 summaries must be posted to the website of the attorney general's  
2 office within 30 days of any meeting by the task force.

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

9 (7) To ensure that the task force has diverse and inclusive  
10 representation of those affected by its work, task force members,  
11 including subcommittee members, whose participation in the task force  
12 may be hampered by financial hardship and may be compensated as  
13 provided in RCW 43.03.220.

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

16 (a) "Artificial intelligence" means the use of machine learning  
17 and related technologies that use data to train statistical models  
18 for the purpose of enabling computer systems to perform tasks  
19 normally associated with human intelligence or perception, such as  
20 computer vision, speech or natural language processing, and content  
21 generation.

22 (b) "Generative artificial intelligence" means an artificial  
23 intelligence system that generates novel data or content based on a  
24 foundation model.

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

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

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

34 NEW SECTION. **Sec. 6.** This act may be known and cited as the  
35 spark act.

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