

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3828</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>10332</b>
<b>Author:</b>	<b>Rep. Alonso-Sandoval</b>
<b>Date:</b>	<b>2/22/2024</b>
<b>Impact:</b>	<b>\$3,000,000 - \$5,000,000</b>

**Research Analysis**

The committee substitute to HB 3828 requires OMES to inventory all systems that use artificial intelligence (AI) by December 31, 2024 and each year after. State agencies that do not use OMES must inventory their own systems and post the inventory list on their website. By February 1, 2025 OMES and any state agencies that do not use OMES are required to perform assessments of their AI systems to ensure the systems do not discriminate and to establish policies and procedures regarding the use of AI and post them on their website.

Additionally, beginning February 1, 2025, state agencies are prohibited from implementing AI systems unless an impact assessment has been performed to ensure that using such system will not result in discrimination. State agencies are also prohibited from implementing AI systems if the agency director determines the use of the AI system will result in discrimination.

Prepared By: Keana Swadley

**Fiscal Analysis**

The committee substitute to HB 3828 requires the Office of Management and Enterprise Services (OMES), or state agencies who do not use OMES, to inventory all artificial intelligence (AI) systems each year. This measure also adds stipulations around the use of AI systems by state agencies. Per OMES, the provisions of this measure would require OMES to contract with outside professional services to encompass the initial inventory, assessment, policy development, and setup for ongoing compliance and review mechanisms. OMES estimates the cost of this contract to range between Three Million (\$3,000,000.00) and Five Million dollars (\$5,000,000.00).

OMES also notes that this measure would result in a significant impact on their Information Services (IS) division. They anticipate a need to allocate additional resources, both financially and manpower-wise, to ensure compliance with this measure.

Prepared By: Jay St Clair, House Fiscal Staff

**Other Considerations**

None.

