Office of Artificial Intelligence Policy Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Paul A. Cutler

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill modifies provisions related to the Office of Artificial Intelligence Policy and the Artificial Intelligence Learning Laboratory Program.

Highlighted Provisions:

This bill:

- defines terms;
- modifies duties of the Office of Artificial Intelligence Policy;
- modifies the Artificial Intelligence Learning Laboratory Program;
- modifies provisions related to regulatory agreements; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

13-72-101, as enacted by Laws of Utah 2024, Chapter 186

13-72-201, as enacted by Laws of Utah 2024, Chapter 186

13-72-301, as enacted by Laws of Utah 2024, Chapter 186

RENUMBERS AND AMENDS:

13-72-401, (Renumbered from 13-72-302, as enacted by Laws of Utah 2024, Chapter 186)

13-72-402, (Renumbered from 13-72-303, as enacted by Laws of Utah 2024, Chapter 186)

13-72-403, (Renumbered from 13-72-305, as enacted by Laws of Utah 2024, Chapter 186)

REPEALS:

H.B. 320

13-72-304, as enacted by Laws of Utah 2024, Chapter 186

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **13-72-101** is amended to read:

13-72-101 . Definitions.

As used in this chapter:

[~~(1) "Applicant" means a person that applies for participation in the regulatory learning laboratory.~~]

[~~(2)~~] (1) "Agency" means the same as that term is defined in Section 63G-4-103.

(2) "Agency head" means the same as that term is defined in Section 63G-4-103.

(3) "Artificial intelligence" means a machine-based system that makes predictions, recommendations, or decisions influencing real or virtual environments.

[~~(3)~~] (4) "Artificial intelligence technology" means a computer system, application, or other product that uses or incorporates one or more forms of artificial intelligence.

(5) "Audit" means the same as that term is defined in Section 63G-2-103.

(6) "Demonstration period" means the period during which:

(a) regulatory mitigation is in effect in accordance with the terms of a regulatory mitigation agreement; or

(b) joint interpretation is in effect in accordance with the terms of a joint interpretation agreement.

[~~(4)~~] (7) "Department" means the Department of Commerce.

[~~(5)~~] (8) "Director" means the director of the office.

[~~(6)~~] (9) "Executive director" means the executive director of the Department of Commerce.

(10) "Governmental entity" means:

(a) the judiciary;

(b) a state-funded institution of higher education or public education; or

(c) a political subdivision of the state.

(11) "Governmental entity head" means the individual or body with ultimate executive or administrative authority over a governmental entity.

(12) "Joint interpretation agreement" means an agreement between a participant, the office, and a relevant agency or governmental entity that clarifies the application of a provision of state law or rule to artificial intelligence technology.

[~~(7)~~] (13) "Learning agenda" means the areas of artificial intelligence applications, risks, and policy considerations selected by the office for focus by the learning laboratory.

[~~(8)~~] (14) "Learning laboratory" means the artificial intelligence analysis and research program created in Section 13-72-301.

[~~(9)~~] (15) "Office" means the Office of Artificial Intelligence Policy created in Section [~~13-74-201~~] 13-72-201.

(16) "Participant" means a person seeking or holding a regulatory mitigation agreement or a joint interpretation agreement with the office.

(17) "Political subdivision" means the same as that term is defined in Section 63G-7-102.

(18) "Regulatory mitigation agreement" means an agreement between a participant, the office, and a relevant agency or a governmental entity described in Section 13-72-401 that:

(a) permits a participant to use or deploy artificial intelligence technology despite a law or rule that might impede or interfere with that use or deployment; and

(b)(i) sets terms and conditions related to any cure period or similar remedies before penalties may be assessed;

(ii) provides for reduced civil fines during the demonstration period; or

(iii) sets other terms and conditions tailored to identified issues of the artificial intelligence technology, including reporting requirements and safeguards necessary for safe and successful use or deployment.

[~~(10) "Participant" means a person that is accepted to participate in the learning laboratory.~~]

[~~(11) "Regulatory mitigation agreement" means an agreement between a participant, the office, and relevant state agencies described in Section 13-72-302.~~]

[~~(12) "Regulatory mitigation" means:~~]

[~~(a) when restitution to users may be required;~~]

[~~(b) terms and conditions related to any cure period before penalties may be assessed;~~]

[~~(c) any reduced civil fines during the participation term; and~~]

[~~(d) other terms tailored to identified issues of the artificial intelligence technology.~~]

Section 2. Section **13-72-201** is amended to read:

13-72-201 . Creation of Office of Artificial Intelligence Policy -- Director appointed -- Duties and authority.

(1) There is created in the department the Office of Artificial Intelligence Policy.

(2) The executive director of the department shall appoint a director to oversee the management and operations of the office.

(3) The office shall:

(a) create and administer an artificial intelligence learning laboratory program;

(b) consult with businesses and other stakeholders in the state about potential regulatory proposals;

(c) make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, establishing:

[~~(i) procedures, requirements, and fees to apply to participate in the learning laboratory program;~~]

[~~(ii) criteria for invitation, acceptance, denial, or removal of participants;~~]

[~~(iii) data usage limitations and cybersecurity criteria for participants;~~]

[~~(iv)~~] (i) required participant disclosures to consumers;

[~~(v)~~] (ii) reporting requirements for participants to the office;

[~~(vi)~~] (iii) criteria for limited extension of the participation period; and

[~~(vii)~~] (iv) other requirements necessary to administer the learning laboratory; and

(d) report annually, before November 30, to the Business and Labor Interim Committee regarding:

(i) the proposed learning agenda for the learning laboratory;

(ii) the findings, participation, and outcomes of the learning laboratory; [~~and~~]

(iii) any regulatory mitigation or joint interpretation agreements executed by the office; and

[~~(iii)~~] (iv) recommended legislation from findings from the learning laboratory.

(4) The office may develop and publish guidance and other resources, including best practices, to inform and educate Utah consumers about artificial intelligence technology.

Section 3. Section **13-72-301** is amended to read:

13-72-301 . Artificial Intelligence Learning Laboratory Program.

(1) There is established the Artificial Intelligence Learning Laboratory Program, to be administered by the office.

(2) The purpose of the learning laboratory is to:

(a) analyze and research the risks, benefits, impacts, and policy implications of artificial intelligence technologies to inform the state regulatory framework;

(b) encourage [~~development~~] responsible deployment of artificial intelligence technologies in the state;

(c) evaluate the effectiveness and viability of current, potential, or proposed regulation on artificial intelligence technologies with artificial intelligence companies; and

(d) produce findings and recommendations for legislation and regulation of artificial intelligence.

(3)(a) The office shall periodically set a learning agenda for the learning laboratory that establishes the specific areas of artificial intelligence policy the office intends to study.

(b) In establishing the learning agenda, the office may consult with individuals from:

(i) relevant agencies;

(ii) governmental entities;

[~~(ii)~~] (iii) relevant industries[~~industry leaders~~];

[~~(iii)~~] (iv) academic institutions in the state; and

[~~(iv)~~] (v) [~~key stakeholders~~] other public or private entities with relevant knowledge, experience, or expertise in the area.

(c) In selecting individuals to consult with under Subsection (3)(b), the office shall consider:

(i) the individual's knowledge of artificial intelligence technology and applications;

(ii) the individual's expertise in artificial intelligence policy; and

(iii) the individual's relevant experience.

[~~(4) The office may invite and receive an application from a person to participate in the learning laboratory.~~]

[~~(5) The office shall establish the procedures and requirements for sending an invitation and receiving requests to participate in the learning laboratory in accordance with the purposes of the learning laboratory.~~]

[~~(6) In selecting participants for the learning laboratory, the office shall consider:~~]

[~~(a) the relevance and utility of an invitee or applicant's artificial intelligence technology to the learning agenda;~~]

[~~(b) the invitee or applicant's expertise and knowledge specific to the learning agenda; and~~]

[~~(c) other factors identified by the office as relevant to participation in the learning laboratory.~~]

[~~(7) The office shall work with participants to establish benchmarks and assess outcomes of participation in the learning laboratory.~~]

Section 4. Section **13-72-401**, which is renumbered from Section 13-72-302 is renumbered and amended to read:

Part 4. Regulatory Mitigation and Joint Interpretation Agreements

[~~13-72-302~~] 13-72-401 . Regulatory mitigation agreements and joint interpretation agreements.

(1) A participant who uses or wants to utilize an artificial intelligence technology in the state may apply for a regulatory mitigation agreement or a joint interpretation agreement according to criteria and procedures outlined by the office by rule made under Section 13-72-201.

(2) The office may grant, on a temporary basis, regulatory mitigation to a participant by entering into a regulatory mitigation agreement or a joint interpretation agreement with the office and [~~relevant agencies~~] relevant agency heads or governmental entity heads.

(3) To receive a regulatory mitigation agreement or a joint interpretation agreement, a participant must demonstrate that the [~~applicant~~] participant meets eligibility criteria established in Section [~~13-72-303~~] 13-72-402.

(4) A regulatory mitigation agreement or a joint interpretation agreement between a participant and the office and relevant agencies or governmental entities shall specify:

(a) limitations on scope of the use of the participant's artificial intelligence technology, [~~including~~] which may include:

(i) the number and types of users;

(ii) geographic limitations; and

(iii) other limitations to implementation;

(b) safeguards to be implemented; [~~and~~]

(c) any regulatory mitigation granted to the applicant[~~.~~] ;

(d) any required disclosures to consumers; and

(e) reporting requirements to comply with audits from the office.

(5) The office shall consult with relevant agencies and governmental entities regarding appropriate terms in a regulatory mitigation agreement or a joint interpretation agreement.

(6) The office shall perform regular audits of a participant's application of artificial intelligence technology while a regulatory mitigation agreement or a joint interpretation agreement remains in effect.

(7) A participant remains subject to all legal and regulatory requirements not expressly waived or modified by the terms of the regulatory mitigation agreement or clarified in a joint interpretation agreement.

[~~(7)~~] (8)(a) The office may [~~remove a participant~~] terminate a regulatory mitigation agreement or a joint interpretation agreement at any time and for any reason, and the participant does not have an expectation of a property right or license to participate in the learning laboratory.

(b) A participant [~~demonstrating~~] using or deploying an artificial intelligence technology

that violates legal or regulatory requirements or the terms of [~~the participation agreement~~] a regulatory mitigation agreement or a joint interpretation agreement may be immediately removed from further participation and subject to all applicable civil and criminal penalties.

[~~(8)~~] (9) Participation in the learning laboratory, including signing a regulatory mitigation agreement or joint interpretation agreement, does not constitute an endorsement or approval from the state.

[~~(9)~~] (10) The state shall not be responsible for any claims, liabilities, damages, losses, or expenses arising out of a participant's:

(a) involvement in the learning laboratory[~~.~~] ; or

(b) actions taken in accordance with a regulatory mitigation agreement or joint interpretation agreement.

Section 5. Section **13-72-402**, which is renumbered from Section 13-72-303 is renumbered and amended to read:

[~~13-72-303~~] 13-72-402 . Regulatory mitigation and joint interpretation agreement eligibility requirements -- Application evaluation and admission.

(1) To be eligible for a regulatory mitigation agreement or a joint interpretation agreement, a participant shall demonstrate to the office that:

(a) the participant has the technical expertise and capability to responsibly develop[~~ and test~~] , implement, and use or supervise the use of the proposed artificial intelligence technology;

(b) the participant has sufficient financial resources to meet obligations during testing;

(c) the artificial intelligence technology provides potential substantial consumer benefits that may outweigh identified risks from mitigated enforcement of regulations;

(d) the participant has an effective plan to monitor and minimize identified risks from testing; and

(e) the scale, scope, and duration of proposed testing is appropriately limited based on risk assessments.

(2) To evaluate whether [~~an applicant~~] a participant meets eligibility criteria to [~~receive~~] obtain a regulatory mitigation agreement or a joint interpretation agreement, the office may consult with relevant agencies, governmental entities, and outside experts regarding the application.

Section 6. Section **13-72-403**, which is renumbered from Section 13-72-305 is renumbered and amended to read:

[~~13-72-305~~] 13-72-403 . Agreement extension.

(1) [~~An~~] The demonstration period for an initial regulatory mitigation agreement [~~shall be in force for no longer than~~] or a joint interpretation agreement may not exceed 12 months.

(2) A participant may request a [~~single~~]12-month [~~extension for participation in the learning laboratory period~~] extension of the demonstration period for any regulatory mitigation agreement or joint interpretation agreement no later than 30 days before the end of the [~~initial 12-month~~] ongoing demonstration period.

(3) The office shall grant or deny an extension request before expiration of [~~the initial~~] an ongoing demonstration period.

Ĥ→ **(4) The office may grant up to two extensions for any regulatory mitigation or joint interpretation agreement.** ←Ĥ

Section 7. **Repealer.**

This bill repeals:

Section **13-72-304, Participation in Artificial Intelligence Learning Laboratory.**

Section 8. **Effective Date.**

This bill takes effect on May 6, 2026.