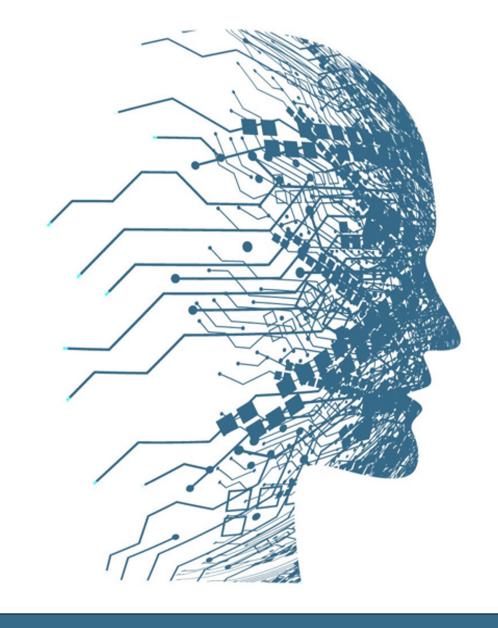
# **Utah's Approach to Artificial Intelligence**

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Senate Business & Labor Committee



# **Key Objectives in Al Tech Policy**

- Attract innovative companies
- Demonstrate collaborative regulation

Foster Innovation

Protect the Public

Observe & Learn

- Industry is evolving quickly
- We can't regulate what we don't understand

Protect consumers from harm

 Examples: deception, fraud, data privacy threats

Business and Labor Committee

#### **Generative AI: Definition**

"Generative artificial intelligence" means an artificial system that:

- (i) is trained on data;
- (ii) interacts with a person using text, audio, or visual communication; and
- (iii) generates non-scripted outputs similar to outputs created by a human, with limited or no human oversight.

# **Al Policy Act – Consumer Protection**

#### **Consumer Protection Provision**

No Al defense. If a person uses Al to commit a deceptive act that harms consumers, they may not "blame the Al as a defense.

Honest disclosure. Certain Al tools (chatbots, voice, text messages) must disclose that they are non-human if asked directly by a consumer.

<u>Limited mandatory disclosure</u>. For sensitive interactions, people should know if they are dealing with a non-human.

#### **Applied Example**

- A firm hires an Al consultancy to generate ads in real time, and it generates a prohibited likeness of a famous person. The consultancy cannot argue that the Al was at fault in its defense.
- A person receives a text message from REI with a financing offer but is unsure if they are dealing with an AI or a person. The AI must answer honestly.
- A licensed mental health company launches an Al-based tool to engage with potential clients at a public school. The company must clearly disclose the use of Al for the interaction.

# **Al Legislative Provisions – Criminal**

#### **Criminal Provisions**

No Al defense. Al cannot be blamed in the commission of a crime if 1) the actor used Al; and 2) the Al was under the actor's direct/indirect control or influence when the offense occurred.

Expansion of Use Cases. The term "computer generated" is expanded to include artificial intelligence.

<u>Counterfeit Intimate images</u>. Unlawful distribution of counterfeit intimate images is prohibited.

<u>Sexual exploitation</u> of a minor using AI is prohibited.

## **Al Policy Act: The Al Lab**

Q: How do we find the "right" balance in regulating Al?

Goals are to 1) encourage innovation; 2) protect consumers; 3) observe & learn how to regulate Al appropriately.

### **Artificial Intelligence Lab**

#### **Learning Agenda**

- Lab defines a specific AI focus (e.g., Consumer Protection, Data Privacy, Healthcare, Education)
- Invite relevant AI companies, stakeholders, and other experts to participate
- Joint learning/testing informs regulatory decisions by government & ideas for future legislation

#### **Regulatory Mitigation**

- Participating Al companies may receive regulatory certainty through potential mitigation
- Mitigation examples include limited caps on penalties, limited exemptions from law
- Must include relevant regulatory body and may include outside experts
- Other AI companies can apply for participation on a case-by-case basis

# Thank you.

#### **Al Regulatory Lab Concept**

