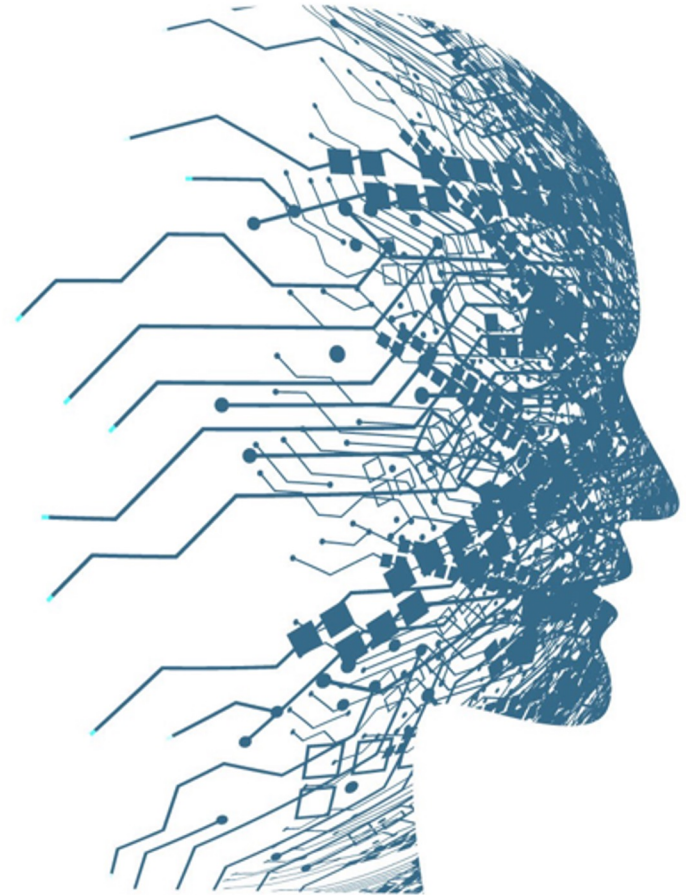# Utah's Approach to Artificial Intelligence

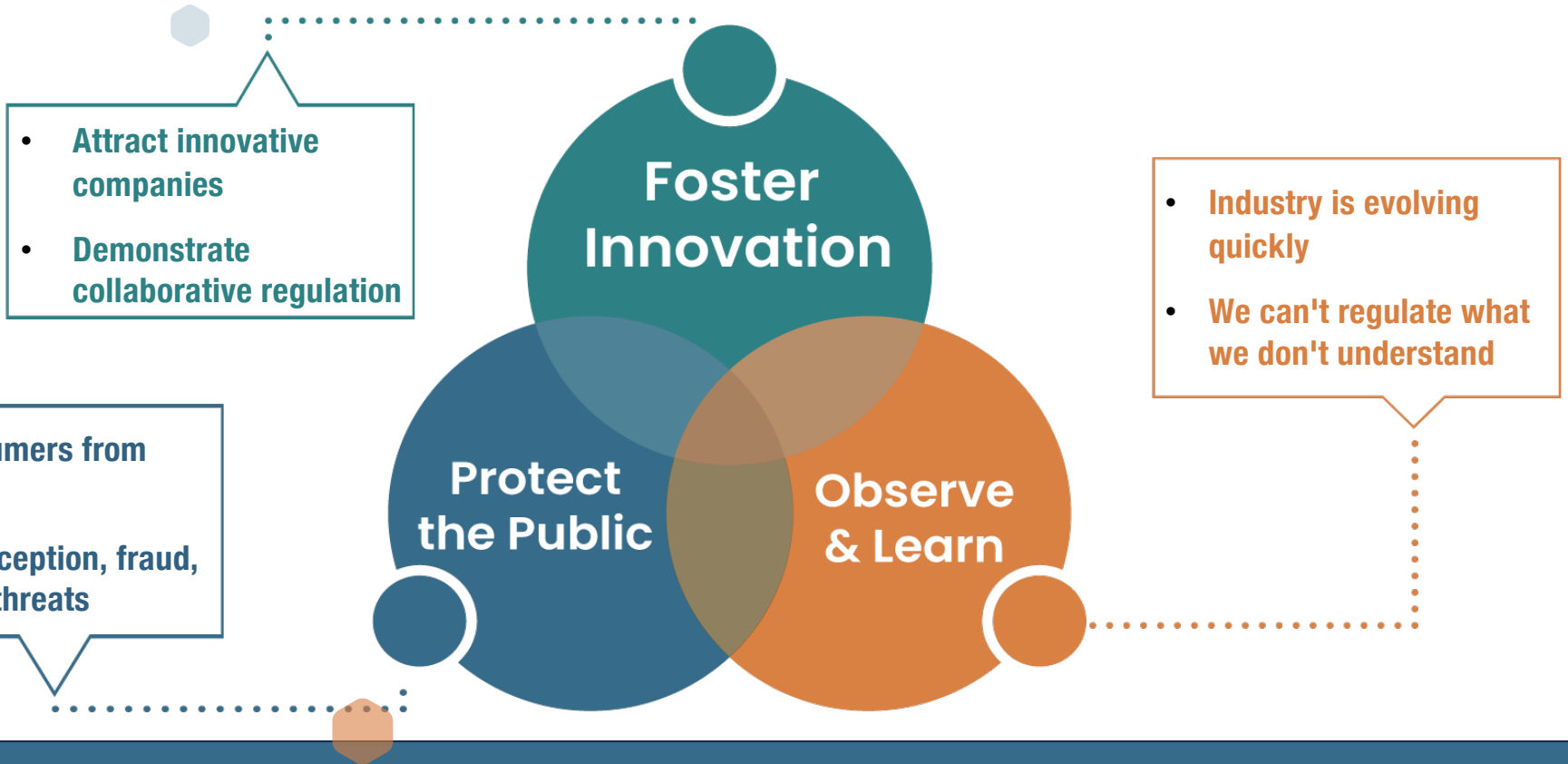House Economic Development and
Workforce Services Standing Committee

SB 149

February 2024

Key Objectives in AI Tech Policy

- **Attract innovative companies**
- **Demonstrate collaborative regulation**

Foster Innovation

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

- **Protect consumers from harm**
- **Examples: deception, fraud, data privacy threats**

Protect the Public

Observe & Learn

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.

AI Policy Act – Consumer Protection

Consumer Protection Provision

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

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

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

Applied Example

➡ A firm hires an AI consultancy to generate ads in real time, and it generates a prohibited likeness of a famous person. The consultancy cannot argue that the AI 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 AI-based tool to engage with potential clients at a public school. The company must clearly disclose the use of AI for the interaction.

AI Legislative Provisions – Criminal

Criminal Provisions

No AI defense. AI cannot be blamed in the commission of a crime if 1) the actor used AI; and 2) the AI 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.

Counterfeit Intimate images. Unlawful distribution of counterfeit intimate images is prohibited.

Sexual exploitation of a minor using AI is prohibited.

AI Policy Act: The AI Lab

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

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

AI Regulatory Lab Concept

State of Utah Defines Learning Categories

example topics & functions

consumer protection
data privacy

healthcare
education
transportation
media
mental health

State selects annual AI Learning Agenda

Direct invitation and open application process

Companies submit application to participate

Company A   Company B   Company C

Company D   Company E   Company F

Applications Reviewed and Scored

Learning Agenda Participants Selected

Company C

Company F

Company A

Scope regulatory relief measures

AI Lab Process

Launch

Both parties observe Performance

Company remedies Issues

Company adjusts AI model as needed

Summary Report of Outcomes

Suggest Regulatory Measures

Suggest Legislative Changes