



WYOMING LEGISLATIVE SERVICE OFFICE

Memorandum

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TO Select Committee on Blockchain, Financial Technology and Digital Innovation Technology

FROM Clarissa Nord, Legislative Editor

SUBJECT Other States' Artificial Intelligence Governance Legislation

The Select Committee on Blockchain, Financial Technology and Digital Innovation Technology will examine artificial intelligence (AI) governance as a 2025 interim topic. This memorandum reviews legislation enacted and introduced by other states to regulate AI systems. This memorandum also highlights how states are developing governance frameworks to address challenges associated with high-risk AI applications, ensure transparency, and protect consumers from algorithmic discrimination.

Enacted AI Governance Legislation

AI governance involves frameworks and policies designed to ensure the ethical and legal development of AI systems.¹ An AI system is a machine-based system designed to perform tasks such as generating predictions, recommendations, or decisions that can impact physical or virtual environments.² These systems may operate with different degrees of autonomy and are frequently capable of learning from data to improve performance. AI governance additionally offers a structured approach to mitigate adverse impacts of AI through policy, regulation, and data management.³

In recent years, state legislative responses to generative AI systems have varied considerably. Some states initially concentrated on the use of AI within state government by establishing task forces or conducting studies to evaluate the potential risks and benefits of AI.⁴ Other states enacted comprehensive AI governance legislation aimed at implementing safeguards for high-risk AI applications.

In 2024, California, Colorado, and Utah enacted legislation to regulate the development and deployment of AI systems. Each state addresses distinct aspects of AI governance, including data

¹ International Association of Privacy Professionals, *U.S. State AI Governance Legislation Tracker*, (last visited Apr. 17, 2025).

² National Institute of Standards and Technology, U.S. Department of Commerce, *Artificial Intelligence Risk Management Framework (AI RMF 1.0)* (2023).

³ Tim Mucci & Cole Stryker, *What is AI Governance?*, IBM (October 10, 2024).

⁴ International Association of Privacy Professionals, *U.S. State AI Governance Legislation Tracker*, (last visited Apr. 17, 2025).

transparency, consumer protection, and regulatory mitigation. California primarily emphasizes data provenance⁵, Colorado targets high-risk AI systems with a focus on consumer protection, and Utah incorporates liability provisions alongside a regulatory relief program to balance oversight and innovation.

California

In 2024, the California Legislature enacted legislation requiring developers of generative AI systems to publicly disclose, by January 1, 2026, information about the datasets used to train, test, and validate their AI models.⁶ The disclosed information must include a general description of the datasets, including the sources, the number and types of data points, whether the data includes personal or copyrighted information, and whether synthetic data generation was used.⁷ Developers must also disclose any modifications made to the datasets, such as cleaning or processing, and the time frame during which the data was collected.

The law applies to any generative AI system that is available for use in California on or after January 1, 2022.⁸ However, it exempts generative AI systems used for security purposes, national defense, or aircraft operations in national airspace from the disclosure requirements.

Colorado

During the 2024 legislative session, the Colorado Legislature enacted the Consumer Protections for Artificial Intelligence Act to regulate high-risk AI systems. Effective February 1, 2026, the act requires developers and deployers to exercise reasonable care to protect consumers from known or anticipated risks of algorithmic discrimination.⁹ The act defines developers as an individual conducting business in Colorado “that develops or intentionally and substantially modifies an” AI system.¹⁰ A deployer means a person engaged in business activities that deploys a high-risk AI system. The act further defines a high-risk AI system as a system that significantly impacts a person’s legal rights or access to critical services, including education, employment, financial services, government services, health care, housing, insurance, or legal assistance.¹¹

Under this act, developers of high-risk AI systems must provide detailed documentation to individuals who use or further develop these systems.¹² This documentation should include an explanation of the system's intended and foreseeable uses and any known risks. Additionally, developers must describe the type of data used to train the system, its intended purpose, and any recognized limitations.

Deployers must implement risk management policies, conduct impact assessments, and review each high-risk system annually to determine that there are no risks of algorithmic discrimination.¹³ Deployers are also obligated to inform consumers when high-risk AI systems influence

⁵ Data provenance refers to the documented history of a piece of data, including its origin, any modifications, and the individuals or systems involved in its creation and processing. See: **Tim Mucci, *What is Data Provenance?*, IBM (July 23, 2024).**

⁶ **Cal. Civ. Code § 3111.**

⁷ *Id.*

⁸ *Id.*

⁹ **Colo. Rev. Stat. § 6-1-1702.**

¹⁰ **Colo. Rev. Stat. § 6-1-1701.**

¹¹ *Id.*

¹² **Colo. Rev. Stat. § 6-1-1702.**

¹³ **Colo. Rev. Stat. § 6-1-1703.**

consequential decisions and allow them to correct data errors or appeal decisions, ideally with human oversight. The Colorado Attorney General has exclusive enforcement authority, and violations are treated as deceptive trade practices under the Colorado Consumer Protection Act.¹⁴

Utah

In 2024, the Utah Legislature enacted the Artificial Intelligence Policy Act which:

- imposes liability for the use of AI that violates consumer protection laws if not properly disclosed;
- requires disclosure when an individual interacts with AI in a regulated occupation¹⁵; and
- creates the Office of Artificial Intelligence Policy’s (Office) AI learning laboratory program to allow AI developers to benefit from regulatory mitigation, including waived civil fines, during pilot testing.¹⁶

The Utah Legislature directed the Office to analyze the risks, benefits, impacts, and policy implications of AI technologies to inform an overarching state regulatory framework and evaluate the effectiveness of current, potential, or proposed regulations on AI technologies.¹⁷

For violations of the act, the Utah Division of Consumer Protection can impose fines up to \$2,500 and may seek a court injunction to impose additional fees and court costs.¹⁸ The Utah Attorney General may also pursue \$5,000 in civil penalties for each violation of an administrative or court order issued under the act. The provisions of the act became effective on May 1, 2024, and the Office is currently overseeing the AI learning laboratory program and accepting applications for the regulatory relief program.¹⁹

Introduced AI Governance Legislation

During the 2025 legislative session, at least eight states have introduced comprehensive AI governance legislation, with an emphasis on regulating high-risk systems and preventing algorithmic discrimination.²⁰ The following sections summarize AI governance legislation introduced in New Mexico, Texas, and Virginia. These bills establish standards for developers and deployers of high-risk AI systems, including risk assessment requirements, transparency measures, and safeguards against discriminatory outcomes.

New Mexico

In 2025, the New Mexico Legislature introduced the Artificial Intelligence Act, which aimed to create comprehensive consumer protection measures against algorithmic discrimination, particularly when AI is used to make significant decisions affecting individuals’ lives.²¹ The bill focused on critical areas including education, employment, healthcare, housing, insurance, and legal services.

¹⁴ **Colo. Rev. Stat. § 6-1-1706.**

¹⁵ The legislation defines “regulated occupation” as an occupation regulated by the Utah Department of Commerce that requires a person to obtain a license or state certification to practice the occupation.

¹⁶ **Utah Code Ann. § 13-72-201.**

¹⁷ **Utah Code Ann. § 13-72-301.**

¹⁸ **Utah Code Ann. § 13-2-12.**

¹⁹ **Utah Office of Artificial Intelligence Policy, Regulatory Mitigation, (last visited Apr. 17, 2025).**

²⁰ **National Conference of State Legislatures, *Artificial Intelligence 2025 Legislation* (March 22, 2025).**

²¹ **H.B. 60, 57th Leg., 1st Sess. (N.M. 2025).**

The bill defined algorithmic discrimination as unlawful differential treatment based on characteristics such as age, race, gender, disability, language ability, or other characteristics protected under existing law.²² The bill further defined an AI system as either:

- a machine learning-based system that determines “how to generate outputs, including content, decisions, predictions, or recommendations that can influence physical or virtual environments;” or
- any system described as using AI or machine learning in its technical documentation.²³

The New Mexico Legislature defined a high-risk AI system as “an AI system that when deployed makes or is a substantial factor in making a consequential decision.”²⁴ Exceptions to the definition included systems that primarily communicate with users in spoken or written natural language. Staff from the New Mexico Legislative Education Study Committee indicated that this exception would likely apply to generative systems such as ChatGPT, exempting them from the bill’s requirements.

The bill would have required developers and deployers to implement human oversight where technically feasible.²⁵ Developers also would have been responsible for:

- notifying consumers when AI was used in a decision-making process;
- maintaining risk management practices;
- disclosing the system’s purpose, training data types, known limitations, and any strategies to mitigate algorithmic bias or discrimination; and
- reporting "risk incidents" to the New Mexico Department of Justice, which would have been responsible for enforcement of the legislation.

The House Judiciary Committee approved the bill on February 24, 2025, and it was placed on the House calendar.²⁶ However, the New Mexico Legislature adjourned on March 22, 2025, before the bill could advance in the legislative process.

Texas

During the 2025 session, the Texas Legislature introduced the Texas Responsible AI Governance Act, which outlines proposed responsibilities for developers, deployers, and distributors of "high-risk" AI systems.²⁷ The bill also establishes a regulatory sandbox for AI testing and includes other provisions, such as prohibiting the development of certain AI applications.

A high-risk artificial intelligence system is defined as any AI system that is substantially involved in making a consequential decision.²⁸ The definition specifically excludes systems that detect patterns without directly influencing human decisions. The definition further excludes common software tools like antivirus programs, spreadsheets, and basic customer service chatbots.

Proposed responsibilities for developers and deployers include:

²² **H.B. 60, 57th Leg., 1st Sess. (N.M. 2025).**

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ **H.B. 1709, 89th Leg., Reg. Sess. (Tex. 2025).**

²⁸ *Id.*

- implementing policies to mitigate risks of bias, misuse, or unintended harm;
- ensuring that qualified individuals oversee AI-driven decisions to prevent algorithmic discrimination; and
- conducting annual impact assessments of high-risk AI systems.²⁹

The bill would also prohibit several AI applications considered to present “unacceptable risks,” including social scoring systems, biometric surveillance systems, and systems that manipulate human behavior without explicit consent.³⁰ The bill would establish the Texas Artificial Intelligence Council to issue advisory opinions and develop regulations. Additionally, the bill would create a sandbox program to offer temporary regulatory exemptions for entities testing innovative AI systems.

The Texas Attorney General would have enforcement authority, including the ability to investigate violations, and file civil actions.³¹ Developers and deployers who fail to comply could face fines ranging from \$50,000 to \$100,000. On March 14, 2025, the Texas Legislature referred the bill to the Delivery of Government Efficiency Committee; however, it has not progressed further in the legislative process. The Texas Legislature is scheduled to adjourn on June 2, 2025.³²

Virginia

The Virginia High-Risk Artificial Intelligence Developer and Deployer Act (2025 House Bill 2094) proposed creating a comprehensive regulatory framework for the development, deployment, and use of high-risk AI systems.³³ The legislation established operational standards for developers and deployers of high-risk AI systems, focusing on preventing algorithmic discrimination in critical decision-making processes.

The bill defined developers as any person conducting business in the state that “develops or intentionally and substantially modifies a high-risk AI system that is sold” or otherwise made available to deployers or consumers in the state. The bill would have required developers of high-risk AI systems to exercise reasonable care to protect consumers from known or foreseeable risks of algorithmic discrimination.³⁴ Developers would have been expected to provide comprehensive documentation for high-risk AI systems including:

- the system’s intended uses;
- known limitations and potential discrimination risks;
- the system’s purpose, benefits, and appropriate uses; and
- evaluation summaries, mitigation strategies, and guidance for monitoring performance.³⁵

The bill defined a deployer as any person engaged in business activities in Virginia who uses a high-risk AI system to make consequential decisions.³⁶ A consequential decision is defined as a

²⁹ [H.B. 1709, 89th Leg., Reg. Sess. \(Tex. 2025\)](#).

³⁰ *Id.*

³¹ *Id.*

³² [Texas Legislative Council, Dates of Interest - 89th Legislature \(last visited Apr. 18, 2025\)](#).

³³ [H.B. 2094, 2025 Gen. Assemb., Reg. Sess. \(Va. 2025\)](#).

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

decision that substantially affects an individual's access to services pertaining to legal rights, education, employment, finance, healthcare, housing, insurance, or marital status.

The bill would have further ensured that deployers implement safeguards and oversight mechanisms to prevent algorithmic discrimination.³⁷ The oversight mechanisms would involve the surveillance of AI systems for potential biases and conducting an impact assessment for high-risk AI systems. The Virginia Attorney General would have had exclusive enforcement authority, with penalties up to \$10,000 per violation and a 45-day grace period for non-compliance.

The Virginia General Assembly passed 2025 House Bill 2094 in February, but Governor Youngkin vetoed the bill on March 24, 2025.³⁸ In his veto message, Governor Youngkin indicated that he supports the responsible governance of AI, but expressed concerns that the bill did not account for the rapidly evolving nature of the AI industry and could have potentially hindered innovation, particularly among startups and small businesses.

³⁷ H.B. 2094, 2025 Gen. Assemb., Reg. Sess. (Va. 2025).

³⁸ *Id.*