



Senate

General Assembly

File No. 228

January Session, 2023

Substitute Senate Bill No. 1103

Senate, March 27, 2023

The Committee on General Law reported through SEN. MARONEY of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ARTIFICIAL INTELLIGENCE, AUTOMATED DECISION-MAKING AND PERSONAL DATA PRIVACY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2023*) (a) As used in this section:
- 2 (1) "Artificial Intelligence Officer" means the employee designated
3 pursuant to subsection (b) of this section;
- 4 (2) "Automated decision support system" means any automated
5 decision system that provides material information for the purpose of
6 informing a conclusion, decision or judgment made by an individual on
7 behalf of a state agency;
- 8 (3) "Automated decision system" means any machine-based system
9 or application, including, but not limited to, any such system or
10 application that is derived from machine learning, statistics or other
11 data processing or artificial intelligence techniques, that is developed,
12 procured or utilized to make, inform or materially support a critical
13 decision made by a state agency, but does not include passive

14 computing infrastructure;

15 (4) "Automated final decision system" means any automated decision
16 system that makes a final conclusion, decision or judgment on behalf of
17 a state agency without any intervention by an individual acting on
18 behalf of the state agency;

19 (5) "Automated system" means any automated decision support
20 system, automated decision system or automated final decision system;

21 (6) "Automated systems procedures" means the procedures
22 developed and adopted pursuant to this section;

23 (7) "Connecticut Artificial Intelligence Advisory Board" means the
24 board established in section 2 of this act;

25 (8) "Critical decision" means any decision or judgment that has any
26 legal, material or similarly significant effect on an individual's life
27 concerning access to, or the cost, terms or availability of, (A) education
28 and vocational training, including, but not limited to, assessment,
29 accreditation or certification, (B) employment, worker management or
30 self-employment, (C) essential utilities such as electricity, heat, water,
31 Internet or telecommunications access or transportation, (D) family
32 planning services, including, but not limited to, adoption services or
33 reproductive services, (E) financial services, including, but not limited
34 to, any financial service provided by a mortgage company, (F) services
35 from a creditor or mortgage broker, (G) health care, including, but not
36 limited to, mental health care, dental care or vision care, (H) housing or
37 lodging, including, but not limited to, any rental, short-term housing or
38 lodging, (I) legal services, including, but not limited to, private
39 mediation or arbitration, (J) government benefits, or (K) public services;

40 (9) "Passive computing infrastructure" means any intermediary
41 technology, including, but not limited to, web hosting, domain
42 registration, networking, caching, data storage or cybersecurity
43 technology, that does not influence or determine the outcome of a
44 decision, make or aid in making a decision, inform policy

45 implementation or collect data or observations;

46 (10) "State agency" means any department, board, commission,
47 council, institution, office, constituent unit of the state system of higher
48 education, technical education and career school or other agency in the
49 executive, legislative or judicial branch of state government; and

50 (11) "Trade secret" has the same meaning as provided in section 35-
51 51 of the general statutes.

52 (b) Not later than October 1, 2023, the Secretary of the Office of Policy
53 and Management shall designate an employee of the Office of Policy
54 and Management to serve as the Artificial Intelligence Officer. Such
55 employee shall have: (1) Extensive knowledge concerning automated
56 systems and artificial intelligence analysis, governance, principles,
57 practices, technology, terminology and trends; and (2) experience in
58 administration, planning, policy development, project management and
59 service coordination.

60 (c) The Artificial Intelligence Officer shall be responsible for
61 performing said officer's duties as set forth in this section. The Secretary
62 of the Office of Policy and Management may contract with a third party,
63 if said secretary deems it necessary, to assist the Artificial Intelligence
64 Officer in performing said officer's duties under this section.

65 (d) Not later than December 31, 2023, and every two years thereafter,
66 the Artificial Intelligence Officer shall, in consultation with the state
67 agency data officers and state agency heads, develop and adopt
68 automated systems procedures for use by state agencies in developing,
69 procuring and utilizing automated systems for critical decisions. In
70 developing such automated systems procedures, the Artificial
71 Intelligence Officer shall consider imposing the following safeguards,
72 where appropriate, to mitigate risk: (1) Requiring state agencies to
73 develop, procure and utilize automated systems in a manner that is
74 consistent with national and international standards; (2) ensuring that
75 state agencies develop, procure and utilize automated systems in a
76 manner that is consistent with state and federal laws, including, but not

77 limited to, state and federal laws prohibiting discrimination and
78 addressing privacy, civil rights and civil liberties; (3) ensuring that no
79 automated system disproportionately and unlawfully impacts any
80 individual or group of individuals on the basis of any actual or
81 perceived differentiating characteristic, including, but not limited to,
82 age, genetic information, color, ethnicity, race, creed, religion, national
83 origin, ancestry, sex, gender identity or expression, sexual orientation,
84 marital status, familial status, pregnancy, veteran status, disability or
85 lawful source of income; (4) ensuring that any benefits that a state
86 agency gains by utilizing an automated system outweigh any risks
87 inherent in utilizing the automated system; (5) ensuring that each
88 automated system is applied and utilized in a manner that is consistent
89 with the use cases for which such automated system was trained in
90 order to ensure accuracy, reliability and efficacy; (6) ensuring that each
91 automated system is safe, secure and resilient, including, but not limited
92 to, in circumstances in which such automated system is confronted with
93 any systematic vulnerability, adversarial manipulation or other
94 malicious exploitation; (7) ensuring that the operations of, and outcomes
95 generated by, an automated system are sufficiently understandable by
96 subject matter experts and users; (8) ensuring that individual roles and
97 responsibilities are clearly defined, understood and appropriately
98 assigned in a manner that is consistent with the purpose for which each
99 use of an automated system is intended; (9) ensuring that the
100 development, procurement and utilization of an automated system is,
101 and the inputs and outputs for applications of an automated system are,
102 documented and traceable; (10) ensuring that the design, development,
103 procurement and monitoring of an automated system is, and intended
104 purposes of an automated system are, appropriately transparent to the
105 public under uniform protocols and public access requirements
106 concerning releases and posting of appropriate information by each
107 state agency utilizing the automated system; (11) ensuring that data
108 inputs utilized by each automated system are appropriately transparent
109 under the Freedom of Information Act, as defined in section 1-200 of the
110 general statutes; and (12) ensuring that each state agency that utilizes an
111 automated system (A) examines the automated system, at least once

112 every two years, to ensure compliance with such automated systems
113 procedures, (B) supersedes, disengages and deactivates any application
114 of the automated system that demonstrates performance that is, or
115 outcomes that are, inconsistent with such automated systems
116 procedures or any other provision of this section, (C) is appropriately
117 transparent in disclosing any information that is relevant to such state
118 agency's use of the automated system, (D) implements safeguards to
119 ensure that the automated system is properly applied, utilized and
120 functioning, and (E) provides appropriate training to all personnel
121 responsible for developing, procuring or utilizing the automated
122 system.

123 (e) No state agency shall develop, procure or utilize any automated
124 system on or after January 1, 2024, unless such automated system
125 satisfies the requirements established in the automated systems
126 procedures.

127 (f) Not later than November 1, 2023, and every two years thereafter,
128 the Artificial Intelligence Officer shall submit a preliminary draft of the
129 automated systems procedures to the Connecticut Artificial Intelligence
130 Advisory Board. The Connecticut Artificial Intelligence Advisory Board
131 shall hold a public hearing on such draft automated systems
132 procedures, and submit any suggested revisions to the Artificial
133 Intelligence Officer, not later than thirty days after said board receives
134 such draft automated systems procedures.

135 (g) After the public hearing held pursuant to subsection (f) of this
136 section and, if applicable, receiving any recommended revisions from
137 the Connecticut Artificial Intelligence Advisory Board, the Artificial
138 Intelligence Officer shall finalize the automated systems procedures and
139 submit such final automated systems procedures to said board. The
140 Artificial Intelligence Officer shall send a copy of the final automated
141 systems procedures to all state agency data officers, and the Office of
142 Policy and Management shall post such final automated systems
143 procedures on said office's Internet web site.

144 (h) Not later than December 31, 2024, and every two years thereafter,

145 each state agency shall: (1) Conduct an inventory of the automated
146 systems that are in use by such state agency, which inventory shall be in
147 a form prescribed by the Artificial Intelligence Officer; and (2) submit
148 such inventory to said officer and the Connecticut Artificial Intelligence
149 Advisory Board. The Office of Policy and Management shall make each
150 such inventory available to the public on said office's Internet web site.

151 (i) The Artificial Intelligence Officer shall be subject to the Freedom
152 of Information Act, as defined in section 1-200 of the general statutes.

153 (j) No provision of this section shall be construed to: (1) Require
154 disclosure of any trade secret; (2) abrogate any work product protection;
155 or (3) restrict the Artificial Intelligence Officer's or any state agency's
156 ability to (A) conduct any internal research to develop, improve or
157 repair any product, service or technology, (B) prevent, detect, protect
158 against or respond to, or investigate, report or prosecute any person
159 responsible for, any security incident, identity theft, fraud, harassment,
160 malicious or deceptive activity or illegal activity, or (C) preserve the
161 integrity or security of any system.

162 Sec. 2. (NEW) (*Effective July 1, 2023*) (a) As used in this section:

163 (1) "Automated system" has the same meaning as provided in section
164 1 of this act;

165 (2) "State agency" has the same meaning as provided in section 1 of
166 this act; and

167 (3) "Trade secret" has the same meaning as provided in section 35-51
168 of the general statutes.

169 (b) There is established the Connecticut Artificial Intelligence
170 Advisory Board, which shall be part of the Legislative Department.

171 (c) The board shall consist of the following members: (1) Two
172 appointed by the speaker of the House of Representatives; (2) two
173 appointed by the president pro tempore of the Senate; (3) two appointed
174 by the minority leader of the House of Representatives; (4) two

175 appointed by the minority leader of the Senate; (5) the House
176 chairperson of the joint standing committee of the General Assembly
177 having cognizance of matters relating to consumer protection, or one
178 appointed by such chairperson; and (6) the Senate chairperson of the
179 joint standing committee of the General Assembly having cognizance of
180 matters relating to consumer protection, or one appointed by such
181 chairperson. All appointed members shall have professional experience
182 or academic qualifications in matters pertaining to automated systems,
183 artificial intelligence, artificial intelligence governance and
184 accountability or other related fields. Additional nonvoting ex-officio
185 members shall include the following officials, or their designees: The
186 Commissioner of Administrative Services, the Chief Data Officer, the
187 executive director of the Freedom of Information Commission, the
188 executive director of the Commission on Women, Children, Seniors,
189 Equity and Opportunity, the Attorney General, the Chief Court
190 Administrator, the Treasurer and the Comptroller. The speaker of the
191 House of Representatives and the president pro tempore of the Senate
192 shall each select a co-chair of the board from among the members of the
193 board.

194 (d) All initial appointments to the board shall be made not later than
195 September 1, 2023. The terms of the appointed members shall be
196 coterminous with the terms of the appointing authority for each
197 member. Any vacancy shall be filled by the appointing authority. Any
198 vacancy occurring other than by expiration of a term shall be filled for
199 the balance of the unexpired term. A member of the board may serve
200 more than one term. The co-chairs shall jointly schedule the first
201 meeting of the board, which shall be held not later than October 1, 2023.

202 (e) The administrative staff of the joint standing committee of the
203 General Assembly having cognizance of matters relating to consumer
204 protection shall serve as administrative staff of the board.

205 (f) The board shall have the following powers and duties: (1) To
206 advise state agencies concerning artificial intelligence and automated
207 systems policy, including, but not limited to, best practices for the use

208 of artificial intelligence and automated systems; (2) to perform the
209 duties set forth in subsections (f) and (g) of section 1 of this act; (3) to
210 issue reports and recommendations to the General Assembly in
211 accordance with section 11-4a of the general statutes; (4) upon the
212 request of at least two members of the board, to request that any state
213 agency data officer or state agency head appear before the board to
214 answer questions; (5) to request from any state agency such assistance
215 and data as necessary and available to carry out the purposes of this
216 section; (6) to make recommendations to the legislative leaders
217 concerning artificial intelligence and automated systems policy; and (7)
218 to establish bylaws to govern the board's procedures.

219 (g) The board shall meet at least twice a year and may meet at such
220 other times as deemed necessary by the co-chairs of the board jointly or
221 by a majority of the members of the board.

222 (h) The board shall be subject to the Freedom of Information Act, as
223 defined in section 1-200 of the general statutes.

224 (i) No provision of this section shall be construed to: (1) Require
225 disclosure of any trade secret; (2) abrogate any work product protection;
226 or (3) restrict the board's or any state agency's ability to (A) conduct any
227 internal research to develop, improve or repair any product, service or
228 technology, (B) prevent, detect, protect against or respond to, or
229 investigate, report or prosecute any person responsible for, any security
230 incident, identity theft, fraud, harassment, malicious or deceptive
231 activity or illegal activity, or (C) preserve the integrity or security of any
232 system.

233 Sec. 3. (NEW) (*Effective July 1, 2023*) (a) As used in this section:

234 (1) "Artificial Intelligence Implementation Officer" means the
235 employee designated pursuant to subsection (b) of this section;

236 (2) "Automated system" has the same meaning as provided in section
237 1 of this act;

238 (3) "Automated systems procedures" has the same meaning as

239 provided in section 1 of this act;

240 (4) "State agency" has the same meaning as provided in section 1 of
241 this act; and

242 (5) "Trade secret" has the same meaning as provided in section 35-51
243 of the general statutes.

244 (b) Not later than October 1, 2023, the Commissioner of
245 Administrative Services shall designate an employee of the Department
246 of Administrative Services to serve as the Artificial Intelligence
247 Implementation Officer. Such employee shall have: (1) Extensive
248 knowledge concerning automated systems and artificial intelligence
249 analysis, governance, principles, practices, technology, terminology and
250 trends; and (2) experience in administration, planning, policy
251 development, project management and service coordination.

252 (c) The Artificial Intelligence Implementation Officer shall be
253 responsible for performing said officer's duties under this section and
254 section 4 of this act. The Commissioner of Administrative Services may
255 contract with a third party, if the commissioner deems it necessary, to
256 assist the Artificial Intelligence Implementation Officer in performing
257 said officer's duties under this section and section 4 of this act.

258 (d) Any state agency that intends to develop, procure or utilize any
259 automated system on or after January 1, 2024, shall provide to the
260 Artificial Intelligence Implementation Officer, in a form and manner
261 prescribed by said officer, at least sixty days' advance written notice
262 disclosing that such state agency intends to develop, procure or utilize
263 such automated system.

264 (e) Not later than ninety days after the Artificial Intelligence
265 Implementation Officer receives any notice submitted pursuant to
266 subsection (d) of this section, said officer may review such notice, and
267 any available documentation concerning the operation of the automated
268 system that is the subject of such notice and any related safeguards, to
269 determine whether developing, procuring or utilizing such automated

270 system would satisfy the requirements established in the automated
271 systems procedures. If the Artificial Intelligence Implementation Officer
272 does not make any determination during such ninety-day period, the
273 state agency that submitted such notice may develop, procure or utilize
274 such automated system.

275 (f) On and after July 1, 2025, the Artificial Intelligence
276 Implementation Officer:

277 (1) May, in said officer's discretion, periodically reevaluate any
278 automated system that is developed, procured or utilized by any state
279 agency to ensure that such automated system satisfies the requirements
280 established in the automated systems procedures;

281 (2) Shall, at least biennially, reevaluate any automated system that is
282 developed, procured or utilized by any state agency if said officer, in
283 said officer's discretion, determines that such automated system poses
284 any significant risk; and

285 (3) May take any action not set forth in subdivision (1) or (2) of this
286 subsection that said officer, in said officer's discretion, may deem
287 appropriate to carry out the purposes of this subsection.

288 (g) If the Artificial Intelligence Implementation Officer determines
289 that any automated system that is developed, procured or utilized by
290 any state agency does not satisfy the requirements established in the
291 automated systems procedures, said officer shall direct such state
292 agency to immediately cease development, procurement or utilization
293 of such automated system.

294 (h) The Artificial Intelligence Implementation Officer shall be subject
295 to the Freedom of Information Act, as defined in section 1-200 of the
296 general statutes.

297 (i) No provision of this section shall be construed to: (1) Require
298 disclosure of any trade secret; (2) abrogate any work product protection;
299 or (3) restrict the Artificial Intelligence Implementation Officer's or any
300 state agency's ability to (A) conduct any internal research to develop,

301 improve or repair any product, service or technology, (B) prevent,
302 detect, protect against or respond to, or investigate, report or prosecute
303 any person responsible for, any security incident, identity theft, fraud,
304 harassment, malicious or deceptive activity or illegal activity, or (C)
305 preserve the integrity or security of any system.

306 Sec. 4. (*Effective July 1, 2023*) (a) As used in this section:

307 (1) "Artificial Intelligence Implementation Officer" has the same
308 meaning as provided in section 3 of this act;

309 (2) "Automated decision support system" has the same meaning as
310 provided in section 1 of this act;

311 (3) "Automated final decision system" has the same meaning as
312 provided in section 1 of this act;

313 (4) "Automated system" has the same meaning as provided in section
314 1 of this act;

315 (5) "Critical decision" has the same meaning as provided in section 1
316 of this act;

317 (6) "State agency" has the same meaning as provided in section 1 of
318 this act; and

319 (7) "Trade secret" has the same meaning as provided in section 35-51
320 of the general statutes.

321 (b) Not later than December 31, 2023, the Artificial Intelligence
322 Implementation Officer shall inventory all automated systems that are
323 in use by state agencies for critical decisions. Such inventory shall
324 include the following information for each such automated system:

325 (1) The name of such automated system and the vendor, if any, that
326 provided such automated system; and

327 (2) A description of the general capabilities of such automated
328 system, including, but not limited to:

329 (A) Any reasonably foreseeable capability of such automated system
330 that is outside of any state agency's intended use of such automated
331 system;

332 (B) Whether such automated system was used, or may be used, to
333 independently make, inform or materially support a conclusion,
334 decision or judgment and the resulting impact on residents of this state;

335 (C) Each type of data input that was used by such automated system,
336 how such inputted data was collected, generated or processed and the
337 type or types of data such automated system generated or is reasonably
338 likely to generate;

339 (D) Whether such automated system (i) discriminated against any
340 individual or group of individuals in violation of state or federal law, or
341 (ii) disproportionately and unlawfully impacted any individual or
342 group of individuals on the basis of any actual or perceived
343 differentiating characteristic, including, but not limited to, age, genetic
344 information, color, ethnicity, race, creed, religion, national origin,
345 ancestry, sex, gender identity or expression, sexual orientation, marital
346 status, familial status, pregnancy, veteran status, disability or lawful
347 source of income;

348 (E) A description of the purpose and intended use of such automated
349 system, including, but not limited to, (i) which decision or decisions
350 such automated system was used to make, inform or materially support,
351 (ii) whether such automated system is an automated final decision
352 system or automated decision support system, and (iii) the benefit or
353 benefits such automated system was purported to confer and any data
354 or research necessary to determine whether such automated system
355 conferred such purported benefit or benefits; and

356 (F) How the data used or generated by such automated system was
357 processed and stored, whether the state agency or agencies that
358 developed, procured or utilized such automated system intend to share
359 access to such automated system or data with any other person, the
360 name of such person and why such state agency or agencies intend to

361 share such access or data with such person.

362 (c) The Artificial Intelligence Implementation Officer shall, as part of
363 the inventory performed pursuant to subsection (b) of this section,
364 determine whether any automated system included in such inventory:

365 (1) Infringed any legal right of any resident of this state; and

366 (2) Was publicly disclosed under the Freedom of Information Act, as
367 defined in section 1-200 of the general statutes, in an appropriately
368 transparent manner.

369 (d) No provision of this section shall be construed to: (1) Require
370 disclosure of any trade secret; (2) abrogate any work product protection;
371 or (3) restrict the Artificial Intelligence Implementation Officer's or any
372 state agency's ability to (A) conduct any internal research to develop,
373 improve or repair any product, service or technology, (B) prevent,
374 detect, protect against or respond to, or investigate, report or prosecute
375 any person responsible for, any security incident, identity theft, fraud,
376 harassment, malicious or deceptive activity or illegal activity, or (C)
377 preserve the integrity or security of any system.

378 (e) Not later than December 31, 2024, the Artificial Intelligence
379 Implementation Officer shall prepare and submit a report, in accordance
380 with section 11-4a of the general statutes, to the joint standing committee
381 of the General Assembly having cognizance of matters relating to
382 consumer protection. Such report shall contain the inventory prepared
383 pursuant to subsection (b) of this section.

384 Sec. 5. (NEW) (*Effective July 1, 2023*) Notwithstanding any provision
385 of the general statutes, no state contracting agency shall enter into any
386 contract with a business on or after July 1, 2023, unless such contract
387 contains a provision requiring the business to comply with all applicable
388 provisions of sections 42-515 to 42-525, inclusive, of the general statutes.
389 For the purposes of this section, "business", "contract" and "state
390 contracting agency" have the same meanings as provided in section 4e-
391 1 of the general statutes.

392 Sec. 6. Subsection (a) of section 42-517 of the general statutes is
393 repealed and the following is substituted in lieu thereof (*Effective July 1,*
394 *2023*):

395 (a) The provisions of sections 42-515 to 42-525, inclusive, do not apply
396 to any: (1) Body, authority, board, bureau, commission, district or
397 agency of this state or of any political subdivision of this state; (2)
398 nonprofit organization; (3) institution of higher education; (4) national
399 securities association that is registered under 15 USC 78o-3 of the
400 Securities Exchange Act of 1934, as amended from time to time; (5)
401 financial institution or data subject to Title V of the Gramm-Leach-Bliley
402 Act, 15 USC 6801 et seq.; [or] (6) covered entity or business associate, as
403 defined in 45 CFR 160.103; or (7) air carrier, as defined in 49 USC 40102,
404 as amended from time to time, and regulated under the Federal
405 Aviation Act of 1958, 49 USC 40101 et seq., and the Airline Deregulation
406 Act, 49 USC 41713, as said acts may be amended from time to time.

407 Sec. 7. Subsection (a) of section 42-520 of the general statutes is
408 repealed and the following is substituted in lieu thereof (*Effective July 1,*
409 *2023*):

410 (a) A controller shall: (1) Limit the collection of personal data to what
411 is adequate, relevant and reasonably necessary in relation to the
412 purposes for which such data is processed, as disclosed to the consumer;
413 (2) except as otherwise provided in sections 42-515 to 42-525, inclusive,
414 not process personal data for purposes that are neither reasonably
415 necessary to, nor compatible with, the disclosed purposes for which
416 such personal data is processed, as disclosed to the consumer, unless the
417 controller obtains the consumer's consent; (3) establish, implement and
418 maintain reasonable administrative, technical and physical data
419 security practices to protect the confidentiality, integrity and
420 accessibility of personal data appropriate to the volume and nature of
421 the personal data at issue; (4) not process sensitive data concerning a
422 consumer without obtaining the consumer's consent, or, in the case of
423 the processing of sensitive data concerning a known child, without
424 processing such data in accordance with COPPA; (5) not process

425 personal data in violation of the laws of this state and federal laws that
426 prohibit unlawful discrimination against consumers; (6) provide an
427 effective mechanism for a consumer to revoke the consumer's consent
428 under this section that is at least as easy as the mechanism by which the
429 consumer provided the consumer's consent and, upon revocation of
430 such consent, cease to process the data as soon as practicable, but not
431 later than fifteen days after the receipt of such request; and (7) not
432 process the personal data of a consumer for purposes of targeted
433 advertising, or sell the consumer's personal data without the consumer's
434 consent, under circumstances where a controller has actual knowledge,
435 [and] or wilfully disregards, that the consumer is at least thirteen years
436 of age but younger than sixteen years of age. A controller shall not
437 discriminate against a consumer for exercising any of the consumer
438 rights contained in sections 42-515 to 42-525, inclusive, including
439 denying goods or services, charging different prices or rates for goods
440 or services or providing a different level of quality of goods or services
441 to the consumer.

442 Sec. 8. (*Effective from passage*) (a) There is established a task force to
443 study artificial intelligence. The task force shall (1) develop, and make
444 recommendations concerning adoption of, an artificial intelligence bill
445 of rights based on the "Blueprint for an AI Bill of Rights" published by
446 the White House Office of Science and Technology Policy, and (2) study
447 the feasibility of establishing, and make recommendations concerning
448 the establishment of, a department of artificial intelligence enablement
449 to assist state agencies and municipalities with ethically implementing
450 artificial intelligence technologies.

451 (b) The task force shall consist of the following members:

452 (1) Two appointed by the speaker of the House of Representatives;

453 (2) Two appointed by the president pro tempore of the Senate;

454 (3) One appointed by the majority leader of the House of
455 Representatives;

- 456 (4) One appointed by the majority leader of the Senate;
- 457 (5) One appointed by the minority leader of the House of
458 Representatives;
- 459 (6) One appointed by the minority leader of the Senate;
- 460 (7) The Commissioner of Administrative Services, or the
461 commissioner's designee; and
- 462 (8) Two appointed by the Governor.
- 463 (c) Any member of the task force appointed under subdivision (1),
464 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
465 of the General Assembly.
- 466 (d) All initial appointments to the task force shall be made not later
467 than thirty days after the effective date of this section. Any vacancy shall
468 be filled by the appointing authority.
- 469 (e) The speaker of the House of Representatives and the president pro
470 tempore of the Senate shall select the chairpersons of the task force from
471 among the members of the task force. Such chairpersons shall schedule
472 the first meeting of the task force, which shall be held not later than sixty
473 days after the effective date of this section.
- 474 (f) The administrative staff of the joint standing committee of the
475 General Assembly having cognizance of matters relating to consumer
476 protection shall serve as administrative staff of the task force.
- 477 (g) Not later than January 1, 2024, the task force shall submit a report
478 on its findings and recommendations to the joint standing committee of
479 the General Assembly having cognizance of matters relating to
480 consumer protection, in accordance with the provisions of section 11-4a
481 of the general statutes. The task force shall terminate on the date that it
482 submits such report or January 1, 2024, whichever is later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	New section
Sec. 2	<i>July 1, 2023</i>	New section
Sec. 3	<i>July 1, 2023</i>	New section
Sec. 4	<i>July 1, 2023</i>	New section
Sec. 5	<i>July 1, 2023</i>	New section
Sec. 6	<i>July 1, 2023</i>	42-517(a)
Sec. 7	<i>July 1, 2023</i>	42-520(a)
Sec. 8	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Section 1(c), "said secretary" was substituted for "the commissioner" for accuracy; in Section 1(d)(3), "disproportionately and unlawfully" was substituted for "unlawfully and disproportionately" for internal consistency; Section 1(d)(10) was redrafted for clarity; in Section 2(f)(3), "to the General Assembly" was added after "recommendations" for clarity; in Section 2(f)(4), "that" was added after "request" for clarity; in Section 2(g), "jointly" was moved from after "as" to after "board" for clarity; and in Section 8(a)(2), "to ethically implement" was changed to "with ethically implementing" for clarity.

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Policy & Mgmt., Off.	GF - Cost	537,400	574,200
State Comptroller - Fringe Benefits ¹	GF - Cost	228,100	467,600
Department of Administrative Services	GF - Cost	695,300	1,105,300

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill is estimated to result in a total cost to the General Fund of approximately \$1,460,800 in FY 24 and \$2,147,100 in FY 25 (and annually thereafter).

Section 1 results in a cost of approximately \$537,400 in FY 24 and \$574,200 in FY 25 (and annually thereafter) to the Office of Policy and Management (OPM) for staff, consultants, and IT expenses, and a cost of approximately \$101,700 in FY 24 and \$208,400 in FY 25 to the Office of the State Comptroller for associated fringe benefits.

Section 1 requires the OPM secretary to designate an AI officer by October 1, 2023 and outlines the officer's responsibilities. To meet these requirements, OPM is expected to need an additional four staff, at an estimated cost of \$237,400 in FY 24 and fully annualized costs of

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

\$486,660 in FY 25, along with associated fringe benefits. OPM will also have cost associated with IT expenses, consisting of a one-time cost of \$250,000 in FY 24 for AI portal development and annual costs of \$37,500 beginning in FY 25 for AI portal maintenance. There is also an annual cost of \$50,000 anticipated, beginning in FY 24, for IT and policy consultants.

Section 2 creates the Connecticut Artificial Intelligence Advisory Board resulting in no fiscal impact to the state because the board has the expertise to meet the requirements of the bill.

Sections 3 and 4 result in a cost of approximately \$695,300 in FY 24 and \$1,105,300 in FY 25 (and annually thereafter) to the Department of Administrative Services (DAS) for staff, consultants, and IT expenses, and a cost of approximately \$126,400 in FY 24 and \$259,200 in FY 25 to the Office of the State Comptroller for associated fringe benefits.

Sections 3 and 4 require the DAS commissioner to designate an AI Implementation Officer by October 1, 2023 and outline the officer's responsibilities. To meet these requirements, DAS is expected to need an additional five staff, at an estimated cost of \$295,300 in FY 24 and fully annualized costs of \$605,300 in FY 25, along with associated fringe benefits. DAS will also have cost associated with Other Expenses, IT expenses and consulting totaling approximately \$400,000 in FY 24 and \$500,000 in FY 25.

Sections 5 to 7 make changes relating to the consumer data privacy law that have no anticipated fiscal impact.

Section 8 creates a task force to study artificial intelligence resulting in no fiscal impact to the state because the task force has the expertise to meet the requirements of the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 1103*****AN ACT CONCERNING ARTIFICIAL INTELLIGENCE, AUTOMATED DECISION-MAKING AND PERSONAL DATA PRIVACY.*****SUMMARY**

This bill sets several requirements for state agencies' development and use of automated systems for "critical decisions" (i.e., those with a significant effect on an individual's life). Among other things, it requires the (1) Office of Policy and Management (OPM) secretary to designate an artificial intelligence (AI) officer to develop and adopt procedures for using automated systems and (2) Department of Administrative Services (DAS) commissioner to designate an AI implementation officer to inventory the automated systems by December 31, 2023, and periodically review agencies' use of them. Under the bill, state agencies developing, procuring, or using any automated system on or after January 1, 2024, must (1) satisfy the automated systems procedures and (2) notify the implementation officer, who may direct the agency to stop development, procurement, or use if he or she finds that it does not comply with the procedures.

Additionally, the bill establishes the Connecticut Artificial Intelligence Advisory Board in the legislative branch to hold public hearings on the draft procedures and advise state agencies on AI and automated system policies. It also establishes a task force to study AI and develop and make recommendations on adoption of an AI bill of rights.

Separately, the bill prohibits state contracting agencies from entering into a contract unless it has a provision requiring the business to comply with the consumer data privacy law. It also (1) exempts certain air carriers from the consumer data privacy law and (2) modifies the

prohibition on targeted advertisement for children between ages 13 and 16. The consumer data privacy law is effective July 1, 2023, and sets a framework for controlling and processing personal data.

EFFECTIVE DATE: July 1, 2023, except the task force provision is effective upon passage.

§ 1 — AUTOMATED SYSTEMS

Definitions

The bill's procedural and inventory requirements apply to "automated systems," which consist of automated decision systems, automated decision support systems, and automated final decision systems.

An "automated decision system" is a machine-based learning system or application developed, procured, or used to make, inform, or materially support a state agency's "critical decisions" (see below). It includes systems or applications derived from machine learning, statistics, or other data processing or AI techniques, but excludes passive computing infrastructure (e.g., web hosting, data storage, and other intermediary technology that does not influence or determine a decision's outcome).

An "automated decision support system" is an automated decision system that provides material information to inform an individual's conclusion, decision, or judgment on behalf of a state agency.

An "automated final decision system" is an automated decision system that makes a final conclusion, decision, or judgment on behalf of a state agency without intervention by an individual acting on behalf of a state agency.

The bill defines "critical decision" as any decision or judgment that has any legal, material, or similarly significant effect on an individual's life concerning access to, or the cost, terms, or availability of, the following:

1. education and vocational training, including assessment, accreditation, or certification;
2. employment, worker management, or self-employment;
3. essential utilities such as electricity, heat, water, Internet or telecommunications access, or transportation;
4. family planning services, including adoption or reproductive services;
5. financial services, including any financial service provided by a mortgage company;
6. services from a creditor or mortgage broker;
7. health care, including mental health care, dental care, or vision care;
8. housing or lodging, including any rental, short-term housing, or lodging;
9. legal services, including private mediation or arbitration; or
10. government benefits or public services.

§ 1 — AI OFFICER

Designation

By October 1, 2023, the bill requires the OPM secretary to designate an employee to serve as the AI officer. The employee must have (1) extensive knowledge of automated systems and AI analysis, governance, principles, practices, technology, terminology, and trends; and (2) experience in administration, planning, policy development, project management, and service coordination. The secretary may contract with a third party, if he deems it necessary, to help the officer do his or her duties.

Automated Systems Procedures

The bill requires the AI officer to biennially develop and adopt

automated systems procedures for state agencies to use in developing, procuring, and using automated systems for critical decisions. The officer must do so beginning by December 31, 2023, and in consultation with state agency heads and data officers. A state agency is any department, board, commission, council, institution, office, state higher education constituent unit, technical education and career school, or other agency in the executive, legislative, or judicial branch. (It is unclear whether all agencies have data officers.) The bill prohibits state agencies from developing, procuring, or using any automated system on or after January 1, 2024, unless it satisfies the procedural requirements the bill sets (see below).

Safeguards. In developing these automated systems procedures, the officer must consider requiring state agencies to develop, procure, and use automated systems in a way that is consistent with national and international standards. He or she must also consider imposing the following safeguards, where appropriate, to mitigate risk and ensure that:

1. state agencies develop, procure, and use automated systems consistent with state and federal laws, including those prohibiting discrimination and addressing privacy, civil rights, and civil liberties;
2. automated systems do not unlawfully and disproportionately impact any individual or group of individuals on the basis of any actual or perceived differentiating characteristic, including age, genetic information, color, ethnicity, race, creed, religion, national origin, ancestry, sex, gender identity or expression, sexual orientation, marital status, familial status, pregnancy, veteran status, disability, or lawful source of income;
3. any benefits that a state agency gains by using an automated system outweigh any risks inherent in using it;
4. each automated system is (a) applied and used consistent with the use cases for which the system was trained in order to ensure

accuracy, reliability, and efficacy and (b) safe, secure, and resilient, including in circumstances where the system is confronted with any systematic vulnerability, adversarial manipulation, or other malicious exploitation;

5. subject matter experts and users sufficiently understand the automated system's operations and outcomes;
6. individual roles and responsibilities are clearly defined, understood, and appropriately assigned consistent with the system's intended purpose;
7. the system's development, procurement, and use are documented and traceable, including the system's inputs and outputs for applications;
8. the system's design, development, procurement, monitoring, and intended purposes are appropriately transparent to the public under uniform protocols and public access requirements on releases and posting of appropriate information by each state agency using the system; and
9. data inputs are appropriately transparent under the Freedom of Information Act (FOIA).

Additionally, the bill requires the AI officer to consider safeguards to ensure each state agency that uses an automated system does the following:

1. examines the system, at least once every two years, to ensure compliance with the procedures;
2. supersedes, disengages, and deactivates any system application that demonstrates performance that is, or outcomes that are, inconsistent with the procedures or the bill's other systems requirements;
3. is appropriately transparent in disclosing any information

relevant to the agency's use of the system;

4. implements safeguards to ensure that the system is properly applied, used, and functioning; and
5. provides appropriate training to all personnel responsible for developing, procuring, or using the automated system.

Draft and Public Hearing

Beginning by November 1, 2023, the bill requires the AI officer to biennially submit a preliminary draft of the automated systems procedures to the Connecticut Artificial Intelligence Advisory Board (see below). Within 30 days after receiving the draft, the board must hold a public hearing on the draft procedures and submit any suggested revisions to the officer.

After the public hearing and, if applicable, receiving any recommended revisions from the board, the AI officer must finalize the procedures and submit them to the board. The officer must send a copy of the final procedures to all state agency data officers and OPM must post them on its website.

Inventory

Beginning by December 31, 2024, the bill requires each state agency to biennially (1) do an inventory of the automated systems that the state agency uses, in a form the officer prescribes; and (2) submit the inventory to the officer and the board. OPM must make each inventory publicly available on its website.

§ 2 — CONNECTICUT ARTIFICIAL INTELLIGENCE ADVISORY BOARD

Membership

The bill establishes an 18-member Connecticut Artificial Intelligence Advisory Board, with 10 voting members and eight non-voting members. The bill places the board in the legislative branch.

Under the bill, the board consists of the following voting members:

(1) two each appointed by the House speaker, Senate president pro tempore, and Senate and House minority leaders; and (2) the House and Senate General Law chairpersons or their appointees. All appointed members must have professional experience or academic qualifications in matters related to automated systems, AI, AI governance and accountability, or other related fields.

Additional nonvoting ex-officio members must include the following officials or their designees: the DAS commissioner; chief data officer; Freedom of Information Commission executive director; Commission on Women, Children, Seniors, Equity and Opportunity executive director; attorney general, chief court administrator, state treasurer, and state comptroller. The House speaker and the Senate president pro tempore must each select a co-chair of the board from among the board members.

Terms and Meetings

The bill requires that all initial board appointments be made by September 1, 2023. Each appointed member's term is coterminous with his or her appointing authority's term, and the appointing authority must fill any vacancy for the balance of the unexpired term. A board member may serve more than one term. The co-chairs must jointly schedule the first board meeting, which must be held by October 1, 2023.

The bill requires the board to meet at least twice a year and may meet at other times as the co-chairs jointly deem or by a majority of board members.

The bill requires the General Law administrative staff to serve as the board's administrative staff.

Powers and Duties

The bill establishes the following powers and duties for the board:

1. advise state agencies on AI and automated systems policy, including best practices for using AI and automated systems;

2. hold a public hearing on the AI officer's draft automated systems procedures and make revisions (see § 1 above);
3. issue reports and recommendations to the General Assembly;
4. request that any state agency data officer or state agency head appear before the board to answer questions, if requested by at least two board members;
5. request assistance and data from any state agency as necessary and available to carry out the board's purposes;
6. make recommendations to the legislative leaders concerning AI and automated systems policy; and
7. establish bylaws to govern the board's procedures.

§ 3 — AI IMPLEMENTATION OFFICER

The bill requires the DAS commissioner to designate an employee by October 1, 2023, to serve as the AI implementation officer. The bill sets the same knowledge and experience requirements as it does for the AI officer designated by OPM.

The bill requires the implementation officer to perform several duties related to automated systems, such as creating an inventory of all automated systems state agencies use for critical decisions. The DAS commissioner may contract with a third party, if she deems it necessary, to help the implementation officer do his or her duties.

Oversight of State Agency Automated Systems

Under the bill, any state agency that intends to develop, procure, or use any automated system on or after January 1, 2024, must provide the implementation officer, in a form and manner the officer prescribes, at least 60 days' advance written notice of its intended action.

Within 90 days after the implementation officer receives any notice, he or she may review it and any available documentation on the system's operation and any related safeguards to determine whether

developing, procuring, or using the system would satisfy the automated systems procedure requirements. If the implementation officer does not make any determination during this period, the state agency that submitted the notice may develop, procure, or use the system.

If the implementation officer determines that any automated system that a state agency develops, procures, or uses does not satisfy the procedures, the officer must direct the agency to immediately stop these actions. On and after July 1, 2025, the implementation officer:

1. may periodically reevaluate any automated system that is developed, procured, or used by any state agency to ensure that the system satisfies the automated systems procedure requirements;
2. must, at least biennially, reevaluate any automated system that any state agency develops, procures, or uses, if the officer determines that the automated system poses any significant risk; and
3. may take other actions if he or she deems it appropriate to carry out the purposes above.

Inventory of Automated Systems

By December 31, 2023, the bill requires the AI implementation officer to inventory all automated systems that state agencies use for critical decisions. The inventory must include each automated system's name and vendor, if any, and a description of the system's general capabilities. This description must include:

1. any reasonably foreseeable capability of the automated system that is outside of any state agency's intended use of the system;
2. whether the automated system was used, or may be used, to independently make, inform, or materially support a conclusion, decision, or judgment, and the resulting impact on state residents;

3. each type of data input that was used by the automated system; how the inputted data was collected, generated, or processed; and the type or types of data the automated system generated or is reasonably likely to generate;
4. whether the automated system (a) discriminated against any individual or group of individuals in violation of state or federal law, or (b) disproportionately and unlawfully impacted any individual or group of individuals on the basis of any actual or perceived differentiating characteristic, including age, genetic information, color, ethnicity, race, creed, religion, national origin, ancestry, sex, gender identity or expression, sexual orientation, marital status, familial status, pregnancy, veteran status, disability, or lawful source of income;
5. a description of the purpose and intended use of the automated system, including (a) which decision or decisions the system was used to make, inform, or materially support, (b) whether the system is an automated final decision system or automated decision support system, and (c) the benefit or benefits the system was supposed to confer and any data or research needed for determining whether the system conferred the purported benefit or benefits; and
6. (a) how the data used or generated by the automated system was processed and stored; (b) whether the state agency or agencies that developed, procured, or used the system intend to share access to it or data with any other person, such person's name; and (c) why the state agency or agencies intend to share access or data with that person.

Under the bill, the implementation officer must, as part of the required inventory, determine whether any automated system included in the inventory:

1. infringed on any legal right of any state resident; and

2. was publicly disclosed under FOIA in an appropriately transparent manner.

The bill requires the AI implementation officer to prepare and submit a report to the General Law Committee by December 31, 2024, that contains the inventory.

§§ 1-4 — DISCLOSURES AND RESTRICTIONS

The bill explicitly subjects the AI officer, AI implementation officer, and the AI advisory board to FOIA. Under the bill, the AI provisions must not be construed to:

1. require disclosing any trade secret;
2. abrogate any work product protection; or
3. restrict the officers', advisory board's, or any state agency's ability to (a) conduct any internal research to develop, improve, or repair any product, service, or technology; (b) prevent, detect, protect against, or respond to, or investigate, report, or prosecute any person responsible for any security incident, identity theft, fraud, harassment, malicious or deceptive activity, or illegal activity; or (c) preserve the integrity or security of any system.

Under the bill, a "trade secret" is information, including a formula, pattern, compilation, program, device, method, technique, process, drawing, cost data, or customer list that (1) derives actual or potential independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other individuals who can get economic value from its disclosure or use, and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

§ 8 — TASK FORCE TO STUDY AI

The bill establishes a nine-member task force to study AI. The task force must (1) develop, and make recommendations for adopting, an AI bill of rights based on the White House Office of Science and Technology

Policy’s “Blueprint for an AI Bill of Rights” and (2) study the feasibility of, and make recommendations for, establishing a department of AI enablement to help state agencies and municipalities ethically implement AI technologies.

The task force must consist of the following members:

1. two appointments each by the House speaker, Senate president pro tempore, and the governor;
2. one appointment each by the House and Senate majority and minority leaders; and
3. the DAS commissioner, or her designee.

The bill allows legislative appointees to be General Assembly members. The House speaker and Senate president pro tempore must select the task force’s chairpersons from the members. The chairpersons must schedule the first task force meeting within 60 days after the bill passes. The bill requires the General Law administrative staff to serve as the task force’s administrative staff.

By January 1, 2024, the bill requires the task force to submit a report on its findings and recommendations to the General Law Committee. The task force terminates on the date it submits the report or January 1, 2024, whichever is later.

§§ 5-7 — CONSUMER DATA PRIVACY LAW

Beginning July 1, 2023, existing law (i.e., the consumer data privacy law) sets a framework for controlling and processing personal data. The framework requires a controller (i.e., an individual or legal entity that determines the purpose and means of processing personal data) to limit the collection of personal data and establish security practices, among other things.

Contract Requirement

Regardless of any state law, the bill prohibits state contracting agencies from entering into any contract with a business on or after July

1, 2023, unless the contract contains a provision requiring the business to comply with all applicable provisions of the consumer data privacy law. By law, a state contracting agency is an executive branch agency, board, commission, department, office, institution, or council. The definition excludes (1) the offices of the Secretary of the State, State Treasurer, State Comptroller, and Attorney General with respect to their constitutional functions and (2) any state agency with respect to contracts specific to the constitutional and statutory functions of the Office of the State Treasurer.

Exemption

The consumer data privacy law exempts various entities from its requirements. The bill expands the exemption to include any air carrier (i.e., a U.S. citizen that provides air transportation by any means) that is regulated under the Federal Aviation Act of 1958 (49 U.S.C. § 40101 et seq.), and the Airline Deregulation Act (49 U.S.C. § 41713).

Targeted Advertising Prohibition

Existing law prohibits controllers from processing a consumer's personal data for purposes of targeted advertising without the consumer's consent for consumers who are at least 13 years old, but under 16 years old. Under current law, the prohibition applies only if the controller both has actual knowledge that the consumer's age is in this range and willfully disregards it. Under the bill, the prohibition applies in either case (i.e., actual knowledge or willful disregard of the consumer's age).

BACKGROUND

Related Bill

sSB 1058, § 9, reported favorably by the General Law Committee, contains an identical provision prohibiting a controller that has actual knowledge or willfully disregards the consumer's age from processing the consumer's data for targeted advertising without the consumer's consent.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/09/2023)