Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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REVISED

Bill Number:HB2250Patron:MaldonadoBill Title:Consumer Data Protection Act; Artificial Intelligence Training Data Transparency Act.

Bill Summary: Allows consumers to authorize a third party, acting on the consumer's behalf, to opt out of the processing of the consumer's personal data. Such authorization may be made using technology that indicates the consumer's intent to opt out, including a browser setting, browser extension, global device setting, or other user-selected universal opt-out mechanism. Where a controller has actual knowledge or willfully disregards that a consumer is an adolescent, defined in the bill as at least 13 years of age but younger than 16 years of age, no controller shall process any personal data collected or collect precise geolocation data from such adolescent without obtaining consent from such adolescent. The bill provides that the Attorney General has discretion regarding whether to provide an opportunity to cure a violation to a controller or processor beginning January 1, 2026. The bill also revises the definitions of "sale of personal data," "sensitive data," and "biometric data." The bill requires a developer of a generative artificial intelligence system or service, defined in the bill, to disclose on the developer's website information about the generative artificial intelligence data set used to train such system or service. A developer shall keep detailed records of the generative artificial intelligence data set used to train a generative artificial intelligence system or service and provide clearly designated and publicly available mechanisms for submissions of Training Data Verification Requests, defined in the bill, and Training Data Deletion Requests, defined in the bill. The bill also prohibits nondisclosure or confidentiality agreements from concealing noncompliance with the bill. The bill allows the Attorney General to offer developers an opportunity to cure noncompliance that is noticed by the Attorney General and provides that a person or entity claiming to be injured due to a violation of such provisions shall be entitled to initiate an action for monetary damages or equitable relief. The provisions of the bill regarding such developers have a delayed effective date of July 1, 2026.

Budget Amendment Necessary: No.

Items Impacted: N/A

Explanation: Due to the delayed effective date, a budget amendment is not required for the current biennium, however, funding will be required in future years.

Fiscal Summary: The Office of the Attorney General and the Department of Law (OAG) estimates this bill generates a need for two additional staff members at an annual cost of \$281,316. Such costs would begin in FY2027 due to the delayed effective date of July 1, 2026.

Agency	FY2025	<u>FY2026</u>	FY2027	<u>FY2028</u>	FY2029	FY2030
OAG	\$0	\$0	\$281,316	\$281,316	\$281,316	\$281,316
TOTAL	\$0	\$0	\$281,316	\$281,316	\$281,316	\$281,316

General Fund Expenditure Impact:

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Position Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	<u>FY2030</u>
OAG	0	0	2	2	2	2
TOTAL	0	0	2	2	2	2

Fiscal Analysis: The OAG indicates that under the provisions of this bill, the agency would need to develop expertise in the area of artificial intelligence related law. Additionally, the agency would need additional personnel to handle the enforcement responsibilities outlined in the bill. The OAG estimates that a minimum of one Assistant Attorney General and one Senior Paralegal/Investigator would be required. The estimated impact of these three positions is \$281,316 per year.

Other: This fiscal impact statement has been revised to include updated fiscal impacts provided by the OAG.