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

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Bill Number: SB1417 Patron: Ebbin

Bill Title: Digital Content Authenticity and Transparency Act established; civil penalty.

Bill Summary: Requires a developer of an artificial intelligence system or service to apply provenance data to synthetic digital content that is generated by such developer's generative artificial intelligence system or service and requires a developer to make a provenance application tool and a provenance reader available to the public. The bill requires a controller of an online service, product, or feature to retain any available provenance data and requires a capture device to include a provenance application tool by default. The bill grants the Attorney General the exclusive authority to enforce such provisions and impose civil penalties pursuant to the bill. Under certain circumstances, the Attorney General may offer a developer an opportunity to cure a violation before imposing such civil penalties. The bill has 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 \$266,825. Such costs would begin in FY2027 due to the delayed effective date of July 1, 2026.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	FY2027	<u>FY2028</u>	<u>FY2029</u>	FY2030
OAG	\$0	\$0	\$266,825	\$266,825	\$266,825	\$266,825
TOTAL	\$0	\$0	\$266,825	\$266,825	\$266,825	\$266,825

Position Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
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 two positions is \$266,825 per year.

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Other: This bill is identical to HB2121.