

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB269 S1

Patron: Favola

Bill Title: Mental health service providers; definitions, use of artificial intelligence system civil penalty.

Bill Summary: As substituted, permits the use of an artificial intelligence system by mental health service providers to assist in providing therapy or counseling services upon the provision of written or digital consent from the patient or the patient’s legally authorized representative. The bill specifies that a mental health service provider is prohibited from allowing an artificial intelligence system to (i) make independent therapeutic decisions; (ii) directly interact with clients in any form of therapeutic communication without provider oversight; or (iii) generate therapeutic recommendations, diagnose, or implement treatment plans without review, oversight, and approval by the licensed professional. The bill provides that records kept by mental health service providers must comply with health records privacy requirements; creates an exception for religious counseling, peer support, or self-help materials and educational resources; and establishes a civil penalty not to exceed \$10,000 for violations of the statute.

Budget Amendment Necessary: No

Items Impacted: n/a

Fiscal Summary: Any fiscal impacts to the Department of Health Professions are expected to be minimal and absorbable within existing resources. Any increase to general fund revenue is indeterminate.

Fiscal Analysis: As substituted, this bill clarifies various settings in which a mental health service provider may use artificial intelligence and establishes a civil penalty not to exceed \$10,000 for any person violating the provisions of the bill.

The Department of Health Professions’ (DHP) Enforcement Division is responsible for conducting investigations regarding alleged practitioner misconduct or violations of applicable law and regulations. If a complaint is found to have validity, the appropriate health regulatory board is responsible for administering disciplinary action. This legislation may result in new complaints being submitted to DHP for review regarding the improper use of artificial intelligence by mental health service providers. It is expected that any workload or cost increase related to the volume of complaints received can be absorbed within existing resources.

Additionally, DHP is required to collect any penalties that result from violations of the provisions of this bill and deposit any monies received to the general fund. Because DHP does not retain penalties collected, it is not expected that this legislation will result in a revenue increase to DHP. Any increase to general fund revenue that may result from the collection of civil penalties under this bill is indeterminate.

Other: SB269 S1 may be a companion to HB668.