

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB747

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Maldonado

3. **Committee:** Communications, Technology and Innovation

4. **Title:** Artificial Intelligence Developer Act established; civil penalty.

5. **Summary:** Creates operating standards for developers and deployers, as those terms are defined in the bill, relating to artificial intelligence, including (i) avoiding certain risks, (ii) protecting against discrimination, (iii) providing disclosures, and (iv) conducting impact assessments and provides that the Office of the Attorney General shall enforce the provisions of the bill. The provisions of the bill related to operating standards for deployers have a delayed effective date of July 1, 2026.

6. **Budget Amendment Necessary:** Yes – See Item 8.

7. **Fiscal Impact Estimates:** Preliminary – See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2026	\$279,854	4	General Fund
2027	\$559,708	4	General Fund
2028	\$559,708	4	General Fund
2029	\$559,708	4	General Fund
2030	\$559,708	4	General Fund

8. **Fiscal Implications:** The sole authority to enforce the provisions of this statute is the responsibility of the Office of Attorney General and Department of Law (OAG). The person(s) tasked with enforcing this statute would need to have knowledge of artificial intelligence (AI) systems and also state and federal discrimination laws. There will also be a dual role/overlap in responsibilities between the Consumer Protection section and the Office of Civil Rights. The Consumer Protection section will need additional resources including personnel with knowledge and expertise in AI and information technology. It is estimated the OAG will need two attorneys, one investigator, and one paralegal at a cost of approximately \$559,708 per year. Although this bill has a delayed effective date of July 1, 2026, these positions would need to be funded January 1, 2026, to be in place for enforcement starting on July 1 of the calendar year.

The Virginia Information Technologies Agency indicates this bill presents no fiscal impact.

9. Specific Agency or Political Subdivisions Affected: The Office of the Attorney General and Department of Law

10. Technical Amendment Necessary: No.

11. Other Comments: This bill has a delayed effective date of July 1, 2026.

Date: 1/23/2024