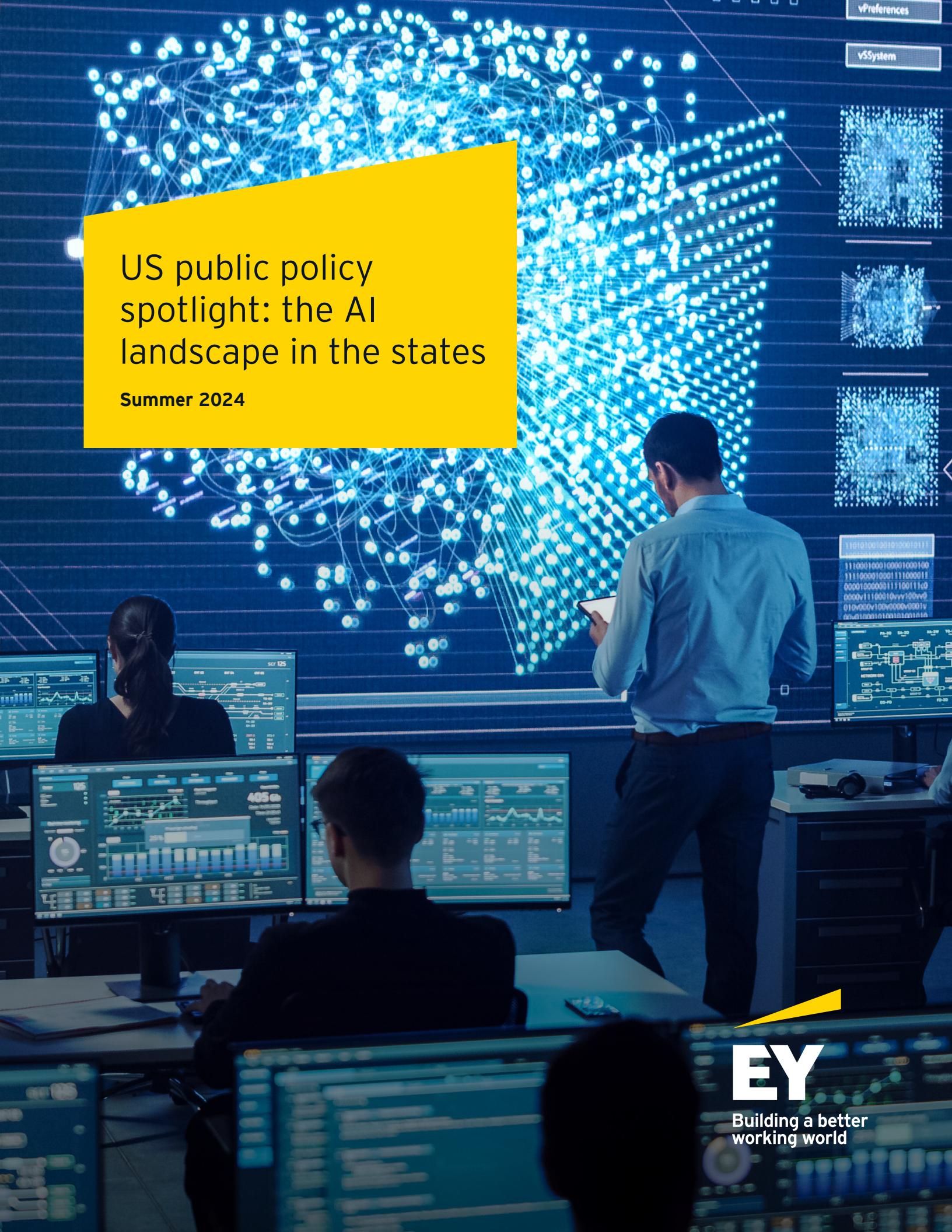


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# US public policy spotlight: the AI landscape in the states

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## Overview

Artificial intelligence (AI) is driving conversation across government agencies, boardrooms, college campuses, and around the nation and beyond. Policymakers at all levels – from city hall to the US Congress – are grappling with how to regulate this fast-moving and promising technology. Recent legislative activity in state capitols offers an interesting take on some of the key stages of AI policymaking.

This publication explores four focus areas of state policymaking on AI that have emerged over the past two years:

- **Study bills**
- **Narrowly focused deepfake and election bills**
- **Use case-level regulation**
- **Comprehensive regulation**

These focus areas offer insight into how states are approaching the regulation of AI and how it could evolve throughout 2024 and beyond. For now, in the absence of comprehensive federal AI legislation, states are taking the lead on AI policymaking. This could result in a patchwork of regulation and oversight that could prove challenging for companies and other stakeholders to navigate in the future.

Also see [our publication on eight key AI-related issues attracting US policymaker attention.](#)



## 1. First on the scene: study bills

Beginning in 2023, a majority of the 150 AI-related bills introduced called for the creation of task forces and committees to study the current and potential applications of the technology and make recommendations for regulation. This reflects the reticence of some lawmakers to over-regulate the AI industry, especially without better understanding AI and its rapid adoption and uses. Continuing the trend that began in 2023, 2024 saw the reintroduction and passage of many study bills. Governors also are taking direct action by setting up study committees via executive orders, and some state legislatures have assigned the task of examining AI in detail to already established standing committees.

Currently, 27 states are actively studying AI policy, but few have passed legislation regulating the industry.

## 2. Deepfakes and synthetic images

This year, states have focused on addressing concerns about deepfakes. In total, we tracked over 225 state bills related to deepfakes, with many aimed at the risk of political deepfakes.

[Michigan](#) and [Minnesota](#) were among the first states to enact legislation to regulate AI in elections, with many states attempting to move similar legislation this session.

Other bills related to generative AI include legislation aimed at combating fraud. This includes efforts to protect against impersonations ([New Jersey](#)) and the illegal use of someone's likeness such as a performer's look or voice ([Mississippi](#)). Legislators also introduced bills requiring watermarks to clearly identify "synthetic media" ([Wyoming](#)). As new controversies surrounding AI use emerge, we expect the number of narrowly focused bills will increase. We're solidly within this phase of AI policymaking at the state level – states have enacted more than a dozen deepfake bills this session.

## 3. Use-case regulation

Another trend we are watching is a focus on regulation aimed at specific industries or use cases. Examples include the following:

- ▶ Lawmakers in New Jersey are [considering a bill](#) that would regulate the use of AI in employment decisions.
- ▶ A proposal in the California legislature to combat algorithmic discrimination is gaining attention.
- ▶ Utah's AI Policy Act, signed in March 2024, takes a use-case approach as well by requiring specific categories of professions, including architects, CPA firms and a variety of medical professionals, such as psychologists, nurses and substance abuse counselors, to disclose if a person is interacting with generative AI when accessing regulated services.
- ▶ Some state governments are restricting their own use of AI processes:
  - ▶ Virginia enacted a [law](#) that will require an impact assessment for any AI tool that is used by a government-funded entity.
  - ▶ A [New York bill](#) that passed one chamber of the legislature but did not become law would have required state agencies to conduct impact assessments of AI tools every two years.

## 4. Comprehensive AI framework bills

Lastly, there has been an uptick in the number of bills that seek to enact comprehensive AI frameworks. These bills would put in place model-level regulation aimed at AI developers and deployers broadly. Some have expressed concern about this approach, asserting it could lead to a complex and confusing patchwork of state laws. Others believe AI regulation is a prerogative of state governments and encourage action.

## Colorado

In June, Colorado became the first state to adopt a comprehensive AI framework. [The new law](#), which takes effect February 1, 2026, regulates the development, deployment and use of certain AI systems. The law defines an AI deployer as “a person doing business in this state that deploys high-risk artificial intelligence system.” An AI developer is defined as a person doing business in Colorado “that develops or intentionally and substantially modifies an artificial intelligence system.” Under this new law, developers will be required to make certain disclosures and documentation available to deployers, the state attorney general and the public. Deployers will be required to implement a risk management policy and program, complete an impact assessment of the system and comply with several other new regulations. The law exempts deployers with fewer than 50 employees that do not use their own information or data to train the AI.

The Colorado law stops short of establishing a new government agency to provide formal oversight of AI developers in the state but charges the state attorney general with enforcing the new requirements. Importantly, the law requires developers and deployers to exercise “reasonable care” to protect consumers from any known or “reasonably foreseeable” risks of algorithmic discrimination.

Notably, Colorado Governor Jared Polis issued a [strong statement](#) after signing the law, urging lawmakers to work with industry to make changes that strike a balance between consumer protection and efforts to spur innovation. With an effective date more than a year and a half away, lawmakers will have time to amend the statute to address these concerns.

## California

The most robust state legislative proposal to date, however, is [California's SB 1047](#). California's proposal

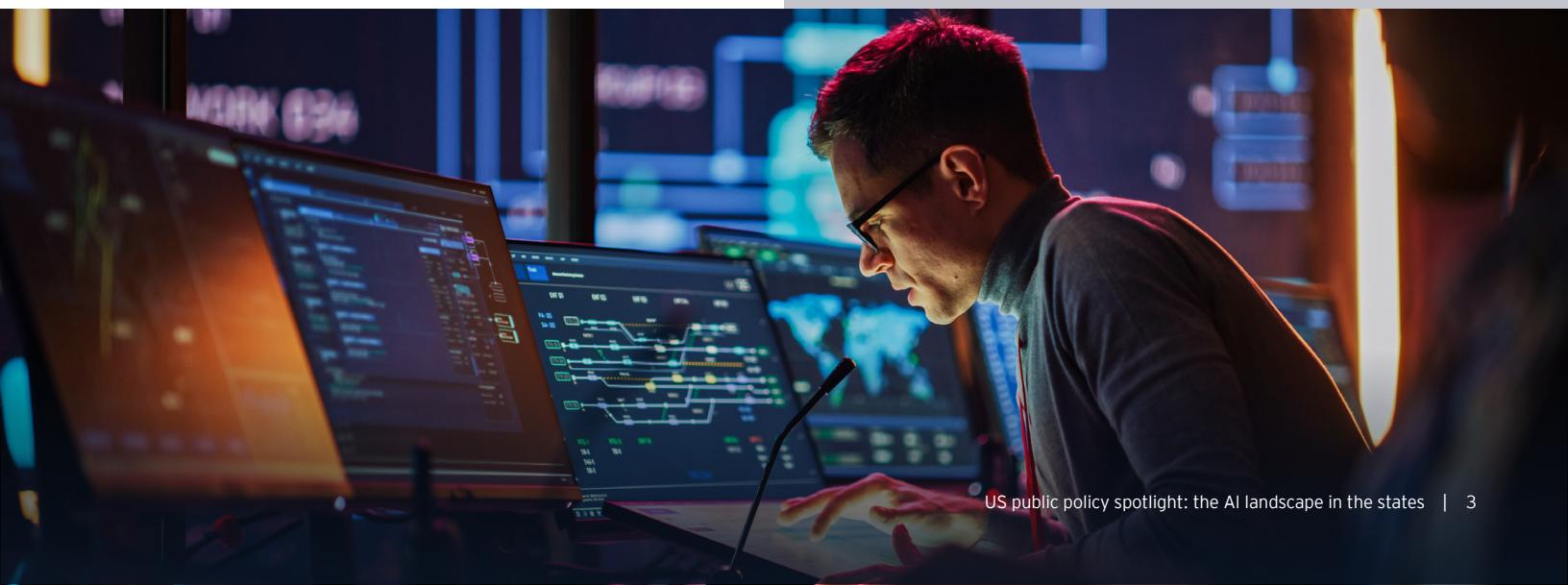
would prohibit certain AI uses and require developers to certify compliance with a list of new disclosures and risk safeguards. The bill would also establish and fund a new state government agency to monitor compliance. The breadth of the bill and the prominence of California as an economic engine and innovation hub for the nation make this bill very significant to the outlook of AI technology in the US.

## What's next?

It is important to observe that many states are considering proposals that encompass all or some of these approaches, underscoring the intense policy focus on AI and the potential for state policy misalignment across the country.

If, when and how California advances AI legislation will be critical, and many states could follow its lead. California lawmakers have until August 31, when the legislative session adjourns, to attempt to pass an AI bill. What they can accomplish between now and then will depend on industry collaboration and support from Governor Gavin Newsom, who up to this point has [not embraced regulation](#) of what he considers a homegrown industry.

Regardless of what happens in California, we expect AI to remain front and center in policy discussions from statehouses to the halls of Congress and the White House and everywhere in between. The outcome of the 2024 elections also could drive further debate and action in this area in 2025.



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