Multiple Agency Fiscal Note Summary

Bill Number: 1934 2S HB	Title: AI task force

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Auditor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	1.7	668,000	668,000	668,000	.7	268,000	268,000	268,000	.0	0	0	0
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Consolidated Technology Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Criminal Justice Training Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**1.7**	**668,000**	**668,000**	**668,000**	**0.7**	**268,000**	**268,000**	**268,000**	**0.0**	**0**	**0**	**0**

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	Phone: (360) 280-3073	Date Published: Final 2/29/2024

Individual State Agency Fiscal Note

Bill Number:	1934 2S HB	Title:	AI task force	Agency:	075-Office of the Governor

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

   NONE

Estimated Operating Expenditures from:
 NONE

Estimated Capital Budget Impact:

   NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/12/2024
Agency Preparation:	Kathy Cody	Phone: (360) 480-7237	Date: 02/14/2024
Agency Approval:	Jamie Langford	Phone: (360) 870-7766	Date: 02/14/2024
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 02/14/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Changes to the Second Substitute bill do not affect the Office of the Governor.

The substitute bill contains an emergency clause that will make it effective immediately. Changes made in the substitute bill do not change the Office's previous fiscal note assumptions.

Subject to appropriation, this bill creates a task force to assess current uses and trends to make recommendations to the legislature regarding standards for the use and regulation of generative AI systems. The Attorney General must appoint a member representing the Office of the Governor. The section creating the task force expires on June 30, 2027.

The Governor's Office assumes existing staff can participate in the task force and travel expenses associated with the task force will be minimal and can be absorbed within existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures
NONE

III. B - Expenditures by Object Or Purpose
NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

   NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

   NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number:	1934 2S HB	Title:	AI task force		Agency:	095-Office of State Auditor

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/12/2024
Agency Preparation:	Charleen Patten	Phone: 564-999-0941	Date: 02/15/2024
Agency Approval:	Janel Roper	Phone: 564-999-0820	Date: 02/15/2024
OFM Review:	Amy Hatfield	Phone: (360) 280-7584	Date: 02/15/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The first substitute bill removed the State Auditor's Office from the legislation.

This second substitute version of the bill puts the State Auditor's Office back on the task force.

Section 2 (1) Establishes a task force responsible for assessing current uses and trends and also make recommendations to the legislature regarding standards for use and regulation of artificial intelligence.

Section 2 (2) Defines the members of the task force including one member representing the State Auditor.

Section 2 (5) Directs the task force to first meet within 45 days of final appointments and at least twice each year thereafter. A preliminary report is due by December 31, 2024, an interim report by July 1, 2025, with a final report due by November 1, 2025.

Based on the language in the bill, the SAO assumes the time and effort as a task force representative would be negligible and absorbed within existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures
NONE

III. B - Expenditures by Object Or Purpose
NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose

    NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

    NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

    NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number:	1934 2S HB	**Title:**	AI task force	**Agency:**	100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

 NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	2.6	1.7	0.7	0.0
Account					
General Fund-State 001-1	133,000	535,000	668,000	268,000	0
Total $	133,000	535,000	668,000	268,000	0

Estimated Capital Budget Impact:

 NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/12/2024
Agency Preparation:	Chad Standifer	Phone: 3605863650	Date: 02/15/2024
Agency Approval:	Edd Giger	Phone: 360-586-2104	Date: 02/15/2024
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 02/17/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1: New Section. Legislative findings and purpose.

Section 2: New section. Subject to appropriations, task force created to assess uses of Artificial Intelligence (AI) and make recommendations to legislature for use and regulation of AI. Lists specific members to be appointed by Attorney General's Office (AGO), to include the following that may require Assistant Attorney General (AAG) time and input: AGO representative, Washington Technology Solutions (WaTech) representative, two members representing public sector and government, two members from universities with expertise, one member representing law enforcement. Outlines meeting administrative details. AGO will administer and staff the task force, to include hiring consultants, creating subcommittees, and assumes to include records management. Executive Committee Task Force duties include review of existing uses, known issues, legal protections; developing guiding principles, analyzing and reporting on numerous other specific issues, and providing recommendations on specific issues. The first meeting is within 45 days of appointments and at least twice per year thereafter. Requiring a preliminary report by December 31, 2024, an interim report by December 1, 2025, and the final report by July 1, 2026. Administrative and reimbursement details, diversity and inclusions details, and including application of RCW43.03.220. Expires June 30, 2027.

Section 3: New Section. Immediate effect.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Attorney General's Office (AGO) Administrative Division (ADM) activities are funded with General Fund-State dollars. No cash receipt impact. There is no client agency to bill for legal services.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Attorney General's Office (AGO) Agency Assumptions:

This bill has an emergency clause and is assumed to be effective immediately.

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Administrative Division's (ADM) Services:

During FY 2024, ADM assumes the enactment of this bill will require 0.5 Policy Analyst FTE (PA), along with additional funding for consultation. ADM assumes costs for the last quarter of FY 2024. During FY 2025, ADM assumes 2.0 PA, along with additional funding for stipends and consultation. During FY 2026, ADM assumes 50 percent of the PA from FY

2025 will be needed in FY 2026 with the final report due November 1, 2025. ADM assumes the PA will be required for the appointment of members, outreach and engagement across the state to ensure inclusive and extensive participation, administration of the taskforce, report research, recommendations research, writing of the reports, and facilitation. During FY 2025, ADM estimates stipends for participation in task force meetings and subcommittee meetings. $12,800 is assumed for four subcommittee meetings, and $128,000 for a consultant for data analysis and advanced legal questions in the realm of AI. During FY 2026, ADM assumes $6,400 for four subcommittee meetings for half of the fiscal year based on the due dates of this bill. Therefore, ADM estimates 25 percent of the direct costs from FY 2025 in FY 2024 and 50 percent of the direct costs from FY 2025 in FY 2026 with the final report due November 1, 2025.

Total King County workload impact:
FY 2024: $133,000 for 0.5 PA, which includes direct costs of $35,200
FY 2025: $535,000 for 2.0 PA, which includes direct costs of $140,800
FY 2026: $268,000 for 1.0 PA, which includes direct costs of $70,400

2. The AGO Civil Rights Division (CRD) has reviewed this bill and determined it will not increase or decrease the division's workload. The enactment of this bill will not impact the provision of legal services to the Human Rights Commission (HUM) because the bill imposes no new requirements on HUM. The enactment of this bill will not impact CRD's provision of legal services to the AGO because the bill assigns no required civil rights enforcement duties to the AGO. Therefore, no costs are included in this request.

3. The AGO Transportation and Public Construction (TPC) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

4. The AGO Executive Ethics Board Staff (ETH) has reviewed this bill and determined it will not increase or decrease the workload of the Executive Ethics Board (EEB). Enactment of this bill will not impact the work as it does not pertain to the Ethics in Public Service Act or any duties of EEB. Therefore, no costs are included in this request.

5. The AGO Information Services Division (ISD) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

6. The AGO Government Compliance and Enforcement Division (GCE) has reviewed this bill and determined it will not increase or decrease the division's workload. This bill would establish a task force to study and report on identified issues related to the use of AI systems in the public and private sectors. This version of the bill revises the membership of the task force and none of GCE's clients are identified as members. Enactment of this bill would not generate or impact the provision of legal services to any GCE clients because the issues the task force will address are general policy issues that are not related to any specific authorities or activities of GCE clients. Therefore, no costs are included in this request.

7. The AGO Revenue and Finance Division (REV) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Revenue (DOR). The enactment of this bill will not impact the provision of legal services to DOR. Additionally, this bill does not require work from any of REV's clients. Therefore, no costs are included in this request.

8. The AGO Solicitor General's Office (SGO) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

Part III: Expenditure Detail
III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	133,000	535,000	668,000	268,000	0
		Total $	133,000	535,000	668,000	268,000	0

AI task force
Form FN (Rev 1/00) 194,968.00
FNS063 Individual State Agency Fiscal Note   3

100-Office of Attorney General
Request # 230-1
Bill # 1934 2S HB

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	2.6	1.7	0.7	
A-Salaries and Wages	69,000	276,000	345,000	138,000	
B-Employee Benefits	20,000	82,000	102,000	41,000	
C-Professional Service Contracts	35,000	128,000	163,000	64,000	
E-Goods and Other Services	9,000	35,000	44,000	18,000	
G-Travel		14,000	14,000	7,000	
Total $	133,000	535,000	668,000	268,000	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Management Analyst 5	95,184	0.2	0.6	0.4	0.2	
Policy Analyst - ADM	110,000	0.5	2.0	1.3	0.5	
Total FTEs		0.7	2.6	1.7	0.7	0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administration Headquarters (ADM)	133,000	535,000	668,000	268,000	
Total $	133,000	535,000	668,000	268,000	

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

AI task force
Form FN (Rev 1/00) 194,968.00
FNS063 Individual State Agency Fiscal Note   4

100-Office of Attorney General
Request # 230-1
Bill # 1934 2S HB

Individual State Agency Fiscal Note

Bill Number: 1934 2S HB	**Title:** AI task force	**Agency:** 103-Department of Commerce

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/12/2024
Agency Preparation:	Lawrence Banks	Phone: (360) 725-4139	Date: 02/15/2024
Agency Approval:	Tami Clark	Phone: 360-725-2935	Date: 02/15/2024
OFM Review:	Cheri Keller	Phone: (360) 584-2207	Date: 02/16/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Differences between 2SHB 1934 and SHB 1934:

Section 2(2)(d) added a new member representing the office of the state auditor will be included in the task force.

There are no impacts to the Department of Commerce associated with this change.

Summary of 2SHB 1934:

Section 2(1) establishes a task force responsible for assessing current uses and trends and also make recommendations to the legislature regarding standards for use and regulation of artificial intelligence.

Section 2(2) defines the members of the task force.

Section 2(5) the task force must hold it first meeting within 45 days of final appointments to task force and meet at least twice a year thereafter. The task force must submit preliminary report by December 31, 2024, an interim report by July 1, 2025, and the final report by November 1, 2025.

Section 3 states this act takes effect immediately.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

With regard to section 2, the Department assumes it could be a participant in a subcommittee. If this were to occur, the Department assumes two hours per meeting, with a total of 6 hours for 3 meetings. The staffing costs would amount to less than $3,000 annually and could be absorbed within existing workloads and appropriation levels.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures
NONE

III. B - Expenditures by Object Or Purpose
NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number:	1934 2S HB	Title:	AI task force	Agency:	163-Consolidated Technology Services

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

    NONE

Estimated Operating Expenditures from:
  NONE

Estimated Capital Budget Impact:

    NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/12/2024
Agency Preparation:	Nenita Ching	Phone: 360-407-8878	Date: 02/15/2024
Agency Approval:	Christina Winans	Phone: 360-407-8908	Date: 02/15/2024
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 02/17/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

1934 2S HB:

The second substitute bill modifies task force member composition by adding one member representing the office of the state auditor. It maintains the purpose of the underlying bill which establishes a task force to assess current uses and trends and make recommendations to the legislature regarding standards for the use and regulation of generative artificial intelligence systems.

Changes in the second substitute bill version are as follows.

Sec. 2. Adds one member representing the office of the state auditor to the task force member composition.

1934 S HB:
The substitute bill maintains the purpose of the underlying bill which establishes a task force to assess current uses and trends and make recommendations to the legislature regarding standards for the use and regulation of generative artificial intelligence systems.

Substitute bill makes changes in the following sections:
Sec. 2. Modifies the task force membership. Specifies the task force must be composed of the following members:
- One member from the two largest caucuses of the Senate.
- One member from the two largest caucuses of the House of Representatives and Senate
- One representative from the Office of the Attorney General (AGO).
- Eight members representing private technology industry groups or business associations, and subject matter experts with artificial intelligence expertise.
- Four members representing community advocate organizations that represent communities that are disproportionately vulnerable to being harmed by algorithmic bias.
- Two members representing statewide labor organizations.
- Two members representing the public sector and government.
- Two members representing universities or research institutions.
- One member representing law enforcement.
- One member representing Washington Technology Solutions.
Authorizes the task forces to convene subcommittees for specified purposes.

Directs the task force to also develop recommendations for establishing an ongoing committee to study emerging technologies not limited to artificial intelligence.

Requires the task force to hold its first meeting within 45 days of final task force membership appointments.

Requires the task force to submit a preliminary report by December 31, 2024, an interim report by July 1, 2025, and a final report by November 1, 2025.

Modifies the definition of artificial intelligence.

Sec. 3 Makes the bill subject to an emergency clause.

1934 HB:

1934 HB establishes a task force to assess current uses and trends and make recommendations to the legislature regarding standards for the use and regulation of generative artificial intelligence systems.

Sec. 1. Provides legislative findings.

Sec. 2. Specifies task force membership and participation requirements. Requires the office of the attorney general to provide staff support for the task force. Requires the task force to examine the development and use of generative artificial intelligence by private and public sector entities and make recommendations to the legislature regarding standards for the use and regulation of generative artificial intelligence systems to protect Washingtonians' safety, privacy, and civil and intellectual property rights. Provides that the task force must submit an interim report to the governor and the appropriate committees of the legislature detailing its findings and recommendations by December 1, 2025, and a final report by June 1, 2027. Provides definitions for "artificial intelligence," "generative artificial intelligence," and "machine learning."

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

1934 2S HB:
The second substitute bill modifies task force member composition by adding one member representing the office of the state auditor. The bill does not have a fiscal impact on WaTech. It is assumed WaTech can absorb the costs for this proposed bill in its base budget if the workload of other enacted legislation does not exceed current staffing levels.

1934 S HB:
The substitute bill modifies the task force membership, and specifically includes:
•   Eight members representing private technology industry groups or business associations, and subject matter experts with artificial intelligence expertise, and
•   One member representing Washington Technology Solutions.

  The proposed legislation has minimal workload impact on WaTech which is assumed can be absorbed within existing resource. The bill requires a WaTech representative to participate in the Task Force (Sec. 2(d)(vii)). WaTech also assumes that another WaTech representative will be appointed as a subject matter expert as required in Sec. 2(d)(i). WaTech anticipates that this bill will require engagement from WaTech/Office of Privacy and Data Protection (OPDP), and participation from Architecture & Innovation Division within WaTech.

WaTech further assumes that any costs for consultants if needed will be the responsibility of the Office of the Attorney General.

1934 HB:.
•   Section 2 (2) (c) (iii) requires a WaTech representative to join the taskforce.
•   Section 2 (2) (c) (xv) states that the task force must include three members representing state or national organization with data and privacy expertise. The State Chief Privacy Officer (CPO) position may be named to the taskforce.
•   Section 2 (2) (e) states that the taskforce may engage non-members to serve on subcommittees as necessary. If the state CPO position is not a named taskforce member, it is possible that the position or Office of Privacy and Data Protection staff would serve on subcommittees to support task force work on privacy as described below.

- Section 2 (4) requires the task force to examine the development and use of generative AI by both private and public sector entities and make recommendations to the legislature regarding standards for the use and regulation of generative AI to protect Washingtonians' privacy. This work requires:
    - Section 2 (4)(b) A review of existing protections under state and federal law for individual data and privacy rights.
    - Section 2 (4)(i) Recommendations as to how the state should educate the public on the development and use of generative AI including information about data privacy, data security, and data collection and retention practices, and the use of individual data in machine learning.
    - Section 2 (4)(j) State regulatory structures for use of generative AI that requires the development and deployment of AI to protect data privacy and security.

There is no fiscal impact from this bill to WaTech. It is assumed WaTech can absorb the costs for this proposed bill in its base budget if the workload of other enacted legislation does not exceed current staffing levels. WaTech may also need contracted support for some of the work that may be required by OPDP, this work can also be absorbed within existing resources.

Part III: Expenditure Detail
III. A - Operating Budget Expenditures
NONE

III. B - Expenditures by Object Or Purpose
NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact
IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number:	1934 2S HB	**Title:**	AI task force	**Agency:**	227-Criminal Justice Training Commission

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/12/2024
Agency Preparation:	Brian Elliott	Phone: 206-835-7337	Date: 02/12/2024
Agency Approval:	Brian Elliott	Phone: 206-835-7337	Date: 02/12/2024
OFM Review:	Danya Clevenger	Phone: (360) 688-6413	Date: 02/13/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill has no fiscal impact on the Criminal Justice Training Commission.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This bill has no cash receipt impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This bill has no expenditure impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures
NONE

III. B - Expenditures by Object Or Purpose
NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number:	1934 2S HB	Title:	AI task force	Agency:	350-Superintendent of Public Instruction

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/12/2024
Agency Preparation:	Troy Klein	Phone: (360) 725-6294	Date: 02/29/2024
Agency Approval:	Amy Kollar	Phone: 360 725-6420	Date: 02/29/2024
OFM Review:	Brian Fechter	Phone: (360) 688-4225	Date: 02/29/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

2SHB 1934 changes from SHB 1934: Section 2 of the bill makes changes to the task force membership.

Section 1is a findings and intent section.

Section 2 (1) Subject to appropriation, establishes a task force responsible for assessing current uses and trends and also make recommendations to the legislature regarding standards for use and regulation of artificial intelligence (AI).

Section 2 (2) Defines the members of the task force.

Section 2 (5) Directs the task force to first meet within 45 days of final appointments to the task force, and at least twice each year thereafter. Reports are due to the governor and appropriate committees of the legislature, with a preliminary report due by December 31, 2024, an interim report due by July 1, 2025, and a final report due by November 1, 2025.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipt impact to OSPI.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

OSPI expenditure impact:

Based on the language in this version of the bill, OSPI is not identified as a member of the task force, and there would be no cost impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures
NONE

III. B - Expenditures by Object Or Purpose
NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

No capital budget impact anticipated.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.