

Individual State Agency Fiscal Note

Revised

Bill Number: 1170 S HB	Title: AI content notices	Agency: 100-Office of Attorney General
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	3.9	3.9	3.9	2.3	1.4
Account					
General Fund-State 001-1	623,000	623,000	1,246,000	757,000	442,000
Total \$	623,000	623,000	1,246,000	757,000	442,000

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.

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Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 02/18/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 02/18/2025
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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. Definitions. “Covered Provider” does not include government agencies or tribes.
- Section 2: New Section. Covered Provider must make available an AI detection tool, at no cost, which meets listed criteria.
- Section 3: New Section. Covered Provider must make available an AI manifest disclosure (notices) that users can include with AI creations. Covered Provider license agreements must ensure compliance by licensees, or license must be revoked.
- Section 4: New Section. Does not apply to movies, tv, games, or interactive experiences.
- Section 5: New Section. RCW 19.86 applies to violations; Attorney General’s Office (AGO) shall issue notice of violation and provide 45-day opportunity to cure if cure is possible.
- Section 6: New chapter in RCW 19.

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.

Attorney General’s Office (AGO) Consumer Protection Division (CPR) activities require General Fund-State dollars. CPR enforces the Consumer Protection Act (CPA) against entities who violate RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR's focus is on holding businesses and individuals accountable for conduct that misleads consumers.

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 is assumed effective 90 days after the end of the 2025 legislative session.
- 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.

AGO Consumer Protection Division (CPR) activities are funded with General Fund-State dollars. There is no appropriate client agency to bill for legal services.

CPR enforces the Consumer Protection Act with respect to conduct that is made unlawful under RCW 19.86.020, which

broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR focus is on representations and failures to disclose terms and conditions.

This bill requires covered entities to make AI detection tools available to users and an opportunity to include AI related disclosures. This bill currently includes a private right of action and AGO enforcement with a right to cure provision. CPR considers the use of AI to be a priority for enforcement yet the right to cure provision would limit the ability to recover costs and fees incurred during an investigation. Therefore, enforcement of this chapter would not be absorbed by CPR's existing work.

CPR assumes that enforcement to ensure compliance will be a priority for AGO. Assumes that litigation will be necessary to enforce industry compliance. Assumes that enforcement litigation will require extensive discovery. Assumes that industry compliance will increase as a result of litigation enforcement efforts. Assumes that bill will remain, as currently drafted, with a private right of action and with a right to cure provision.

Years one through two following enactment: CPR assumes it will open one new investigation, and may file up to one new lawsuit, in each of the first two years. CPR assumes 1.5 AAG in each year or 2,700 AAG hours (75 percent investigation and 25 percent litigation), 0.5 Paralegal 2 FTE (PL2) or 900 PL2 hours (75 percent investigation and 25 percent litigation), and 0.5 Investigator FTE (INV) or 900 INV hours (90 percent investigation and 10 percent litigation).

Years three through four: CPR assumes enforcement activity will begin to decline as industry comes into compliance, and is more willing to compromise, in response to successful enforcement. CPR assumes it will open one new investigation in each of years three and four and may file one new lawsuit in year three. CPR assumes litigation begun in years one through two will resolve, or near resolution, during years three through four. We assume 1.0 AAG or 1,800 AAG hours in each year (75 percent investigation and 25 percent litigation), 0.2 PL2 or 360 PL2 hours (75 percent investigation and 25 percent litigation), and 0.2 INV or 360 INV hours (90 percent investigation and 10 percent litigation).

Years five through six: CPR assumes enforcement activity will continue to decline as industry continues to come into compliance, and is more willing to compromise, in response to successful enforcement. CPR assumes it will open one new investigation in each year and will file no new lawsuits. CPR assumes litigation begun in year three, and any litigation from years one through two not already resolved, will resolve in years five through six. CPR assumes 0.5 AAG or 900 AAG hours in each year (90 percent investigation and 10 percent litigation), 0.2 PL2 or 360 PL2 hours (90 percent investigation and 10 percent litigation), and 0.2 INV or 360 INV hours (90 percent investigation and 10 percent litigation).

CPR: Total estimated workload hours:

FY 2026 and FY 2027: 2,700 AAG hours, 900 PL2 hours, and 900 INV hours

FY 2028 and FY 2029: 1,800 AAG hours, 360 PL2 hours, and 360 INV hours

FY 2030 and in each FY thereafter: 900 AAG hours, 360 PL2 hours, and 360 INV hours

CPR: Total King County workload impact:

FY 2026 and FY 2027: \$623,000 for 1.5 AAG, 0.5 Paralegal 2 (PL2), 0.5 Investigator (INV), and 0.8 PL1, which includes direct litigation costs of \$15,860

FY 2028: \$381,000 for 1.0 AAG, 0.2 PL2, 0.2 INV, and 0.5 PL1, which includes direct litigation costs of \$15,860

FY 2029: \$376,000 for 1.0 AAG, 0.2 PL2, 0.2 INV, and 0.5 PL1, which includes direct litigation costs of \$10,500

FY 2030 and in each FY thereafter: \$221,000 for 0.5 AAG, 0.2 PL2, 0.2 INV, and 0.3 PL1, which includes direct litigation costs of \$10,500

2. The AGO Transportation and Public Construction Division (TPC) 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 Washington Technology Solutions (WaTech). This bill does not include government agencies in the definition of "Covered Providers" and AAG support would be limited to assisting AGO enforcement personnel connect with subject matter experts at WaTech or assisting WaTech with contract interpretation, both of which would be covered within standard

representation. Therefore, no costs are included in this request.

3. The AGO Solicitor General’s Office Division (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 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	623,000	623,000	1,246,000	757,000	442,000
Total \$			623,000	623,000	1,246,000	757,000	442,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	3.9	3.9	3.9	2.3	1.4
A-Salaries and Wages	412,000	412,000	824,000	498,000	286,000
B-Employee Benefits	125,000	125,000	250,000	150,000	86,000
C-Professional Service Contracts	9,000	9,000	18,000	18,000	18,000
E-Goods and Other Services	71,000	71,000	142,000	83,000	46,000
G-Travel	6,000	6,000	12,000	8,000	6,000
Total \$	623,000	623,000	1,246,000	757,000	442,000

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 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Attorney General-King County	139,558	1.5	1.5	1.5	1.0	0.5
Management Analyst 5	98,040	0.6	0.6	0.6	0.4	0.2
Paralegal 1-King County	74,700	0.8	0.8	0.8	0.5	0.3
Paralegal 2-King County	82,392	0.5	0.5	0.5	0.2	0.2
Senior Investigator-King County	108,156	0.5	0.5	0.5	0.2	0.2
Total FTEs		3.9	3.9	3.9	2.3	1.4

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Consumer Protection Division (CPR)	623,000	623,000	1,246,000	757,000	442,000
Total \$	623,000	623,000	1,246,000	757,000	442,000

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.