

Multiple Agency Fiscal Note Summary

Bill Number: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington Technology Solutions	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.3	52,000	52,000	52,000	.7	155,000	155,000	155,000	.0	0	0	0
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington Technology Solutions	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Labor and Industries	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.0	0	0	0	.0	0	0	0	.0	0	0	0
Public Employment Relations Commission	Fiscal note not available											
Department of Social and Health Services	Fiscal note not available											
Student Achievement Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
SWF Statewide Fiscal Note - OFM	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.3	52,000	52,000	52,000	0.7	155,000	155,000	155,000	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
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
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Washington Technology Solutions	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Public Employment Relations Commission	Fiscal note not available								
Department of Social and Health Services	Fiscal note not available								
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
SWF Statewide Fiscal Note - OFM	.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: Preliminary 3/11/2026
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Individual State Agency Fiscal Note

Bill Number: 1170 E 2S HB AMS WM S5869.1	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	0.0	0.5	0.3	0.7	0.0
Account					
General Fund-State 001-1	0	52,000	52,000	155,000	0
Total \$	0	52,000	52,000	155,000	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:	Phone:	Date: 03/04/2026
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 03/06/2026
Agency Approval: Leah Snow	Phone: 360-968-4620	Date: 03/06/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/06/2026

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.

Section 2: New Section. Requires covered providers to include provenance data in any video, image, or audio content created or materially altered by the covered provider's generative artificial intelligence (AI) system.

Section 3: New Section. Provides that nothing in this chapter requires disclosure of a trade secret or confidential or proprietary information about an AI system.

Section 4. New Section. Provides that the provisions of this chapter may not be waived; authorizing the Attorney General's Office (AGO) to bring an action to enforce the chapter, and makes the practices covered by the chapter subject to the Consumer Protection Act, chapter 19.86 RCW.

Section 5. New Section. Provides that this chapter does not apply to any product, service, website, or application that provides video game, TV, streaming, movie, or interactive experiences; provides that the chapter does not apply to systems used solely for upscaling, noise reduction, or compression.

Section 6. New Section. Provides that a government agency that makes available an AI system intended to interact with consumers must make certain disclosures to the public.

Section 7: New Section. Makes Section 1 through 5 and 9 of this Act a new chapter in Title 19 RCW.

Section 8: New Section. Makes Section 6 of this Act a new chapter in Title 42 RCW.

Section 9: New Section. Provides an effective date of February 1, 2027.

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. The Attorney General's Office (AGO) Consumer Protection Division (CPR) activities require General Fund-State. 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. There is 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.

Attorney General's Office (AGO) Agency Assumptions:

Legal services associated with the enactment of this bill will begin on February 1, 2027.

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 Consumer Protection Division (CPR) Legal Services:

The AGO CPR has reviewed this bill and determined it will increase the division’s workload. CPR assumes E2SHB 1170’s effective date of February 1, 2027, will allow industry participants substantial additional time following passage to come into compliance. CPR assumes industry compliance will be incentivized by the need to comply with laws in other states that take effect sooner. CPR also assumes that enforcement activity during the first 18 months after the effective date will take the form of monitoring for compliance and opening one to two investigations, with no litigation activity. CPR assumes monitoring for compliance in FY 2027 will require: 0.1 AAG to investigate potential violations, draw conclusions from investigation, draft Criminal Investigative Demand (CID)/discovery requests, and engage in settlement negotiations; 0.1 AGO Sr Investigator FTE (INV) to interview witnesses, review investigative records, and other investigative tasks as assigned; 0.1 Paralegal 2 FTE (PL2) to assist with CID preparation, document management, and other tasks as assigned. CPR assumes the following needs in FY 2028: 0.3 AAG, 0.3 INV, and 0.1 PL2 for the same taskings with direct costs of \$1,000 for E-document management for investigative records. CPR assumes the following needs in FY 2029: 0.1 AAG, 0.1 INV, and 0.1 PL2 for the same taskings. Finally, CPR assumes after the first 18 months, the industry will come into full or nearly full compliance, requiring no further enforcement activity by CPR.

CPR total workload hours:

- FY 2026: 0 hours
- FY 2027: 180 AAG hours, 180 INV hours, and 72 PL2 hours
- FY 2028: 450 AAG hours, 450 INV hours, and 180 PL2 hours
- FY 2029: 36 AAG hours, 36 INV hours, and 18 PL2 hours
- FY 2030 and in each FY thereafter: 0 hours

CPR total King County workload impact:

- FY 2026: \$0
- FY 2027: \$52,000 for 0.1 AAG, 0.1 INV, and 0.1 PL2
- FY 2028: \$132,000 for 0.3 AAG, 0.3 INV, and 0.1 PL2, which includes direct litigation costs of \$1,000
- FY 2029: \$23,000 for 0.1 AAG, 0.1 INV, and 0.1 PL2
- FY 2030 and in each FY thereafter: \$0

2. The AGO Transportation and Public Construction Division (TPC) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Washington Technology Solutions (WaTech). The enactment of this bill will not impact the provision of legal services to WaTech because the bill specifically excludes 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 and providing advice regarding AI notices. Both would be covered within standard representation and would not result in any increase in AGO usage. 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	0	52,000	52,000	155,000	0
Total \$			0	52,000	52,000	155,000	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.5	0.3	0.7	
A-Salaries and Wages		36,000	36,000	108,000	
B-Employee Benefits		10,000	10,000	28,000	
C-Professional Service Contracts				1,000	
E-Goods and Other Services		6,000	6,000	17,000	
G-Travel				1,000	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	52,000	52,000	155,000	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 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Attorney General - King County	143,740		0.1	0.1	0.2	
Management Analyst 5	98,040		0.1	0.1	0.1	
Paralegal 1 - King County	76,944		0.1	0.1	0.2	
Paralegal 2 - King County	84,864		0.1	0.1	0.1	
Senior Investigator - King County	111,408		0.1	0.1	0.2	
Total FTEs			0.5	0.3	0.7	0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Consumer Protection Division (CPR)		52,000	52,000	155,000	
Total \$		52,000	52,000	155,000	

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.

Individual State Agency Fiscal Note

Bill Number: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices	Agency: 103-Department of Commerce
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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:	Phone:	Date: 03/04/2026
Agency Preparation: Carlos Reyes	Phone: 3607252732	Date: 03/09/2026
Agency Approval: Justin Rogers	Phone: 360-810-1148	Date: 03/09/2026
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 03/10/2026

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.

Comparing 1170 E2S HB AMS WM S5869.1 to SSHB 1170

1170 E2S HB AMS WM S5869.1 maintains the objective that the public has access to reliable data to improve the public's ability to assess the accuracy and authenticity of content that reduces the risk of misinformation.

The Department of Commerce (Commerce) is the secondary agency to 1170 E2S HB AMS WM S5869.1. The Attorney General's Office (AGO) Consumer Protection Division (CPR) is the lead agency.

Commerce has reviewed 1170 E2S HB AMS WM S5869.1 and maintains no fiscal impact. State, tribal and Local government are stated as exempted, but language states government must disclose if using AI, however this only applies to web content with 1,000,000 or more views per month. Commerce content views would not meet this threshold.

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.

There is no impact to the Department of Commerce. Therefore, no costs are included in this request.

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.

Department of Revenue Fiscal Note

Bill Number: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated 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:	Phone:	Date: 03/04/2026
Agency Preparation: Patrick Watkins	Phone: (603) 603-534-1539	Date: 03/09/2026
Agency Approval: Marianne McIntosh	Phone: (603) 603-534-1505	Date: 03/09/2026
OFM Review: Gwen Stamey	Phone: (603) 603-790-1166	Date: 03/10/2026

Request # 1170-1-1

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.

Notes:

- This fiscal note reflects Senate amendment S5869.1 to E2SHB 1170, 2026 Legislative Session.
- This fiscal note only addresses section 6 of the bill, which impacts the Department of Revenue (department).

COMPARISON OF THE AMENDMENT WITH ENGROSSED SECOND SUBSTITUTE BILL:

This striker adds a requirement for state government agencies to disclose when an artificial intelligence system is used to interact with consumers.

CURRENT LAW:

No regulations exist for state government agencies' use of artificial intelligence systems when interacting with consumers.

PROPOSAL:

This bill requires a state government agency to disclose the use of artificial intelligence systems when interacting with consumers. A disclosure is required even when it would be obvious to a consumer that the interaction is with an artificial intelligence system.

The disclosure must be:

- Clear and conspicuously posted.
- Written in plain language.
- May not use a dark pattern.

EFFECTIVE DATE:

This bill takes effect February 1, 2027.

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 legislation results in no revenue impact on taxes the Department of Revenue (department) administers.

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.

The department will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

Request # 1170-1-1

III. C - 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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices	Agency: 163-Washington Technology Solutions
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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:	Phone:	Date: 03/04/2026
Agency Preparation: Samuel Hecker	Phone: 3604078835	Date: 03/09/2026
Agency Approval: Nenita Ching	Phone: 360-407-8878	Date: 03/09/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/10/2026

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 – Provides definitions, including:

- "Artificial intelligence" means the use of machine learning and related technologies that use data to train statistical models for the purpose of enabling computer systems to perform tasks normally associated with human intelligence or perception, such as computer vision, speech or natural language processing, and content generation.
- "Covered provider" means a person that creates, codes, or otherwise produces a generative artificial intelligence system that has over 1,000,000 monthly visitors or users and is publicly accessible within the geographic boundaries of the state. 2(b) excludes government agencies and tribal nations.
- "Generative artificial intelligence system" means an artificial intelligence that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the system's training data.
- "Provenance data" means data that is embedded into digital content or that is included in the digital content's metadata for the purpose of verifying the digital content's authenticity, origin, or history of modification.

Section 2 requires large generative AI providers to embed provenance data in content generated or materially altered by their systems.

Section 2(1) - Covered providers must include provenance data in AI-generated or materially altered video, image, or audio content, when commercially and technically feasible.

Section 2(2) - Providers must use reasonable technical methods to make the provenance data difficult to remove or alter. Use of recognized technical standards, such as the Coalition for Content Provenance and Authenticity (C2PA) watermarking or metadata specifications, is considered compliant.

Section 2(3) - Providers are not required to include personally identifiable information in provenance data.

Section 2(4) - Defines “materially altered” as a significant change that substantially alters the content’s meaning or data. Minor modifications that do not qualify as material alterations include: brightness, contrast, or color adjustments; sharpening or saturation; filters; cropping or resizing; format conversion; noise reduction or background audio cleanup

Section 3(1) does not require disclosure of trade secrets or confidential information about how an AI system is designed or used. Section 3(2) does not apply to business-to-business uses, sales, licensing, or distribution of generative AI systems.

Section 4(1) states any waiver of the chapter’s requirements is void and unenforceable as a matter of public policy. Section 4(2) states the Washington State Office of the Attorney General may bring enforcement actions on behalf of the state or Washington residents. Violations are defined as unfair or deceptive acts in trade or commerce under the Washington Consumer Protection Act. And Section 4(3) says only the Attorney General may bring enforcement actions under this chapter.

Section 5 specifies systems and products that are excluded from the chapter:

Section 5(1) - products, services, websites, or applications that provide exclusively video games or interactive experiences including, but not limited to, the sale of goods or services directly to consumers through the internet, allowing browse, select and purchase items virtually.

Section 5(2) - systems used for image or video upscaling, noise reduction, or compression

Section 6 – A government agency that makes available an AI System intended to interact with consumers must disclose to each consumer, before the interaction, that the consumer is interacting with an AI system.

The disclosure must have the following criteria: Section 6(1)(a) clear and conspicuously posted; Section 6(1)(b) written in plain language; Section 6(1)(c) may not use dark pattern. Section 6(2) states disclosure may be provided by using a hyperlink to a separate webpage. Section 6(3) requires the disclosure whether it is obvious to a reasonable consumer they

are interacting with an AI system. Section 6(4) for the purposes of this section artificial intelligence system has the same meaning as in Section 1.

Section 7 specifies that Sections 1 through 5 and Section 9 will be codified as a new chapter in Title 19 RCW, which governs business regulation and consumer protection.

Section 8 specifies that Section 6 will be codified as a new chapter in Title 42 RCW, which governs state government and public agencies.

Section 9 makes this act effective February 1, 2027.

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.

The amount of revenues required is indeterminate; however, it is assumed this bill will require an increase in revenue. WaTech revenues are generated by fee-for-service programs and from charges allocated to agencies through the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures. Furthermore, for fee-for-service businesses, WaTech will have to increase rates for fee-for-service lines of business to generate additional fee-for-service revenue.

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.

Section 2 requires large generative AI providers to embed provenance data in content generated or materially altered by their systems.

Section 6 creates requirements for government agencies that deploy AI systems interacting with consumers. Government agencies must:

- Disclose to consumers before or at the time of interaction that they are interacting with an artificial intelligence system.
- Ensure the disclosure is clear and conspicuous, written in plain language, and free of dark patterns.
- Disclosure may be provided through a hyperlink to a separate web page.
- Disclosure is required even if it is obvious that the interaction is with an AI system.
- Use the same definition of artificial intelligence as established in Section 1.

Section 8 specifies that Section 6 will be codified as a new chapter in Title 42 RCW, which governs state government and public agencies.

Enterprise:

Expenses required to comply with this bill on an enterprise level are indeterminate based on the following assumptions:

(1) State agencies that use shared technology platforms or cloud services are considered consumers of the technology services rather than providers of AI systems. The underlying capabilities embedded within commercial software platforms are developed, operated and maintained by those commercial providers.

(2) Agencies do not control or have visibility into the full set of AI or ML capabilities within these platforms. WaTech and state agencies are not assumed to inventory or disclose AI functionality embedded in vendor provided infrastructure or software services.

(3) Disclosure requirements are assumed to apply only when an agency intentionally deploys AI intelligence to create public facing content or automated communications with the public.

(4) When an agency intentionally deploys AI functionality to create public facing content using WaTech services, the deploying agency is responsible for providing required public notices and incurring any associated compliance costs.

It is assumed that WaTech will provide guidance, training and training materials as a result of this bill; it is assumed WaTech can absorb the associated costs within existing resources if the workload of other enacted legislation does not exceed current staffing levels.

WaTech Operations:

It is assumed that as a deploying agency, WaTech would be responsible for providing required public notices and incurring any associated compliance costs. If disclosure mechanisms must be implemented within WaTech-managed services, testing, and deployment costs may be incurred. This includes ensuring that any required public notices meet accessibility standards (e.g., screen-reader compatibility, WCAG compliance), usability requirements, and integration constraints within vendor-supported platforms. The scope and cost of such changes are currently unknown and depend on vendor architecture, platform limitations, and final statutory interpretation. WaTech also assumes that public notices will be subject to accessibility policies. Furthermore, we assume that existing contracts with commercial providers may be impacted by change orders to comply with the requirements of the bill. For instance, commercial providers may increase service pricing to account for compliance obligations or add administrative or configuration fees.

Accordingly, expenses associated with this bill are indeterminate for the reasons stated above.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices	Agency: 235-Department of Labor and Industries
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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:	Phone:	Date: 03/04/2026
Agency Preparation: Jenifer Colley	Phone: 000-000-0000	Date: 03/06/2026
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 03/06/2026
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/09/2026

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 requires provider to inform users when content is developed or modified by artificial intelligence. "Covered provider" does not include state, local, and tribal governments. The proposed bill does not have fiscal impact for the Department of Labor and Industries.

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.

None.

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.

None.

Individual State Agency Fiscal Note

Bill Number: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices	Agency: 240-Department of Licensing
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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:	Phone:	Date: 03/04/2026
Agency Preparation: Ellie Gochenouer	Phone: 360-901-0114	Date: 03/05/2026
Agency Approval: Collin Ashley	Phone: (564) 669-9190	Date: 03/05/2026
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/09/2026

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 requires government agencies that use artificial intelligence that interacts with customers to disclose that it is artificial intelligence. It also requires some providers of artificial intelligence to include provenance data for artificial intelligence created or modified video, image, or audio content.

Department of Licensing can absorb any artificial intelligence customer notice changes in existing workload.

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: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices	Agency: 340-Student Achievement Council
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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:	Phone:	Date: 03/04/2026
Agency Preparation: Ellen Matheny	Phone: 360-485-1216	Date: 03/06/2026
Agency Approval: Stacey Warick	Phone: 360-485-1124	Date: 03/06/2026
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2026

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(2) requires covered providers of generative artificial intelligence (AI) systems to include provenance data in content created or materially altered by the system and specifies covered providers does not include state, local, and tribal governments.

Washington Student Achievement Council (WSAC) does not integrate generative AI in its developed and/or supported applications. The bill does not direct WSAC staff to do any new or additional work; no fiscal impact.

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: 1170 E 2S HB AMS WM S5869.1	Title: AI content notices	Agency: SWF-SWF Statewide Fiscal Note - OFM
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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:	Phone:	Date: 03/04/2026
Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 03/09/2026
Agency Approval: Kathy Cody	Phone: 360-480-7237	Date: 03/09/2026
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/10/2026

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.

Government entities are exempted from this bill aside from section 6.

Section 6 states that a government agency that makes available an artificial intelligence system intended to interact with consumers must disclose to each consumer, before or at the time of interaction, that the consumer is interacting with an artificial intelligence system.

The disclosure must be: (a) clear and conspicuously posted; (b) written in plain language; and (c) may not use a dark pattern.

The disclosure may be provided by using a hyperlink to direct a consumer to a separate web page. An agency is required to make the disclosure regardless of whether it would be obvious to a reasonable consumer that the consumer is interacting with an artificial intelligence system.

Artificial intelligence is defined as the use of machine learning and related technologies that use data to train statistical models for the purpose of enabling computer systems to perform tasks normally associated with human intelligence or perception, such as computer vision, speech or natural language processing, and content generation.

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.

This bill is likely to create fiscal impact to varying degrees for state agencies that use artificial intelligence to interact with customers, as they will be required to include a notice when using these technologies that the consumer is interacting with an AI system. A sampling of agencies that are known to be impacted have been included in this fiscal note. The total statewide fiscal impact cannot be determined, but a list of potential cost drivers are listed below.

Services offered by agencies that would need to be amended to include disclosure to customers include, but are not limited to:

AI-powered Chatbots (web, mobile, and SMS) are known to be used by the Department of Licensing, WaTech, the Washington Student Achievement Council and the Public Employee Relations Council. Users of the chatbot will need to be notified that they are interacting with an AI system.

AI in Customer Service: several agencies use Amazon Connect with AWS Polly for call center operations and translation.

AI in Resident Services: AI may be used as a backend capability to optimize resident services and experiences. Examples include:

- Automation: examples include permit processing; AI used in multiple steps in permitting processes.
- Service recommendations: AI suggesting programs or services residents may qualify for.
- Notifications and communications: AI generating or assisting with emails, letters, complaint responses, or other resident communications.
- Translation: enabling websites and services to dynamically translate content into multiple languages.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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.