By: Bhojani, Ordaz, Lujan, Harris Davila,   H.B. No. 5118
     Longoria

Substitute the following for H.B. No. 5118:

By: Button   C.S.H.B. No. 5118

A BILL TO BE ENTITLED

1   AN ACT

2 relating to a study on employer and state agency use of automated

3 employment decision tools in assessing an applicant's suitability

4 for a position.

5   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6   SECTION 1. (a) In this Act:

7   (1) "Artificial intelligence system" means a system of

8 machine learning and related technologies that use data to train

9 statistical models for the purpose of enabling computer systems to

10 perform tasks normally associated with human intelligence or

11 perception, such as computer vision, speech or natural language

12 processing, and content generation.

13   (2) "Automated employment decision tool" means a

14 computational process or software application that uses

15 algorithms, machine learning, statistical modeling, data

16 analytics, or an artificial intelligence system to assess an

17 applicant's suitability for a position.

18   (3) "Bias" means the use of an artificial intelligence

19 system or an automated employment decision tool in an employer or

20 state agency's hiring process that results in discrimination

21 prohibited under Chapter 21, Labor Code, or federal

22 antidiscrimination laws.

23   (4) "Commission" means the Texas Workforce

24 Commission.

1   (5) "Department" means the Department of Information

2 Resources.

3   (6) "Employer" has the meaning assigned by Section

4 61.001, Labor Code.

5   (7) "State agency" means a department, commission,

6 board, office, or other agency in the executive branch of state

7 government created by the state constitution or a state

8 statute. The term includes a university system or an institution

9 of higher education as defined by Section 61.003, Education Code.

10   (8) "Study" means the study required by this section.

11   (b) The commission, in consultation and collaboration with

12 the department, shall conduct a study on the use of artificial

13 intelligence systems and automated employment decision tools in

14 employment and hiring practices of employers, including state

15 agencies.

16   (c) In conducting the study, the commission shall:

17   (1) evaluate the current and future use in hiring

18 decisions of artificial intelligence systems, including automated

19 employment decision tools;

20   (2) outline the methods and tools available for

21 detecting and auditing bias in the deployment of artificial

22 intelligence systems and automated employment decision tools in an

23 employer's or state agency's hiring process;

24   (3) determine:

25   (A) the minimum transparency and disclosure

26 requirements for artificial intelligence system vendors to

27 effectively audit for bias and the accountability requirements to

1 redress resulting bias; and

2   (B) the use of external, independent review for

3 bias in artificial intelligence systems and automated employment

4 decision tools used by employers and state agencies in hiring

5 decisions;

6   (4) identify existing deficiencies in oversight,

7 auditability, and regulatory protections regarding artificial

8 intelligence systems and automated employment decision tools used

9 in hiring decisions in this state; and

10   (5) analyze this state's ability to evaluate and

11 recognize bias and other risks in the use of artificial

12 intelligence systems and automated employment decision tools in

13 hiring decisions.

14   (d) The department shall assist the commission in

15 conducting the study by examining and providing information on:

16   (1) the use of artificial intelligence systems and

17 automated employment decision tools in state agency hiring

18 practices; and

19   (2) regulatory procedures that may assist in

20 decreasing bias and other risks posed by state agencies deploying

21 artificial intelligence systems and automated employment decision

22 tools for use in hiring decisions.

23   (e) In conducting the study, the commission may consult:

24   (1) state agencies and private sector employers with

25 experience in:

26   (A) the deployment of artificial intelligence

27 systems and automated employment decision tools; and

1   (B) the ethical use of artificial intelligence
2 systems and automated employment decision tools; and

3   (2) state agencies that specialize in technical
4 support related to artificial intelligence security to assist with
5 evaluating the use of artificial intelligence systems in hiring
6 decision processes.

7   (f) In addition to any money appropriated by the
8 legislature, the commission may solicit and accept federal funds
9 and gifts, grants, or donations from any source to administer and
10 finance the study.

11   (g) Not later than November 15, 2026, the commission shall
12 submit to the governor, the lieutenant governor, the speaker of the
13 house of representatives, and the chair of the standing committee
14 of each house of the legislature with primary jurisdiction over the
15 commission a written report that includes:

16   (1) the results of the study;

17   (2) any recommendations for legislative or other
18 action to increase transparency and decrease bias in the use of
19 artificial intelligence systems in employment decisions;

20   (3) a sector specific risk assessment for bias in the
21 use of artificial intelligence systems in state agency hiring
22 processes; and

23   (4) a proposal to establish a method of funding
24 research on artificial intelligence bias.

25   (h) This Act expires September 1, 2027.

26   SECTION 2. The Texas Workforce Commission may adopt rules
27 necessary to administer this Act and implement any related programs

1 authorized under this Act.

2   SECTION 3. This Act takes effect September 1, 2025.