By:  Capriglione, et al. (Senate Sponsor - Parker) H.B. No. 2060

(In the Senate - Received from the House April 20, 2023; April 24, 2023, read first time and referred to Committee on Business & Commerce; May 19, 2023, reported favorably by the following vote: Yeas 10, Nays 0; May 19, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Schwertner           X

King                 X

Birdwell                       X

Campbell             X

Creighton            X

Johnson              X

Kolkhorst            X

Menéndez             X

Middleton            X

Nichols              X

Zaffirini            X

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the artificial intelligence advisory council.

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

SECTION 1.  Chapter 2054, Government Code, is amended by adding Subchapter S to read as follows:

SUBCHAPTER S. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL

Sec. 2054.621.  DEFINITIONS. In this subchapter:

(1)  "Algorithm" means a computerized procedure consisting of a set of steps used to accomplish a determined task.

(2)  "Artificial intelligence systems" means systems capable of:

(A)  perceiving an environment through data acquisition and processing and interpreting the derived information to take an action or actions or to imitate intelligent behavior given a specific goal; and

(B)  learning and adapting behavior by analyzing how the environment is affected by prior actions.

(3)  "Automated decision system" means an algorithm, including an algorithm incorporating machine learning or other artificial intelligence techniques, that uses data-based analytics to make or support governmental decisions, judgments, or conclusions.

(4)  "Automated final decision system" means an automated decision system that makes final decisions, judgments, or conclusions without human intervention.

(5)  "Automated support decision system" means an automated decision system that provides information to inform the final decision, judgment, or conclusion of a human decision maker.

(6)  "Council" means the artificial intelligence advisory council established under this subchapter.

(7)  "Public or private institution of higher education" means:

(A)  an institution of higher education, as defined by Section 61.003, Education Code; or

(B)  a private or independent institution of higher education, as defined by Section 61.003, Education Code.

Sec. 2054.622.  ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL. (a) The council is composed of the following seven members:

(1)  one member of the house of representatives appointed by the speaker of the house of representatives;

(2)  one member of the senate appointed by the lieutenant governor;

(3)  the executive director or the executive director's designee; and

(4)  the following four members appointed by the governor:

(A)  an academic professional specializing in ethics who is employed by a public or private institution of higher education;

(B)  an academic professional specializing in artificial intelligence systems who is employed by a public or private institution of higher education;

(C)  an expert on law enforcement usage of artificial intelligence systems; and

(D)  an expert in constitutional and legal rights.

(b)  The council members appointed under Subsections (a)(1) and (2) shall serve as co-chairs of the council.

(c)  A member of the council is not entitled to compensation or reimbursement for expenses.

(d)  The department shall provide administrative support for the council.

(e)  The council shall meet at the call of the co-chairs. The council may meet in person or by telephone conference call, videoconference, or another similar telecommunication method. Notwithstanding Chapter 551 or any other law, a meeting held by telephone conference call, videoconference, or another similar telecommunication method is subject to the requirements of Sections 551.125(c), (d), (e), and (f).

(f)  The council shall study and monitor artificial intelligence systems developed, employed, or procured by state agencies. In carrying out its duties under this section, the council shall:

(1)  assess the need for a state code of ethics for artificial intelligence systems in state government;

(2)  review automated decision systems inventory reports submitted by state agencies under Section 2054.623, including a review of:

(A)  the effect of the automated decision systems on the constitutional or legal rights, duties, or privileges of the residents of this state; and

(B)  the potential benefits, liabilities, or risks that this state could incur as a result of implementing the automated decision systems; and

(3)  recommend administrative actions that state agencies may take without further legislative authorization.

(g)  Not later than December 1, 2024, the council shall submit a report to the legislature that includes:

(1)  a summary of the council's findings after reviewing the automated decision systems inventory reports submitted under Section 2054.623;

(2)  a summary of the recommendations of any relevant national bodies on artificial intelligence systems in state government;

(3)  an assessment of the impact of using artificial intelligence systems in state government on the liberty, finances, livelihood, and privacy interests of the residents of this state;

(4)  recommendations of any policies necessary to:

(A)  protect the privacy and interests of the residents of this state from any diminution caused by employment of artificial intelligence systems by state government;

(B)  ensure that the residents of this state are free from unfair discrimination caused or compounded by the employment of artificial intelligence systems in state government; and

(C)  promote workforce knowledge of artificial intelligence technology and the development of ethical artificial intelligence systems in state government; and

(5)  any other information that the council considers relevant.

Sec. 2054.623.  AUTOMATED DECISION SYSTEMS INVENTORY REPORT. (a) Not later than July 1, 2024, each agency in the executive and legislative branches of state government, using money appropriated to the agency by this state, shall submit an inventory report of all automated decision systems that are being developed, employed, or procured by the agency. For each automated decision system, the inventory report must include a description of:

(1)  the name and vendor of the automated decision system, if any;

(2)  the automated decision system's general capabilities, including:

(A)  reasonably foreseeable capabilities outside the scope of the agency's proposed use; and

(B)  whether the automated decision system is used or may be used for independent decision-making powers and the impact of those decisions on the residents of this state;

(3)  the types of data inputs that the technology uses;

(4)  how the data described by Subdivision (3) is generated, collected, and processed;

(5)  the types of data the automated decision system is reasonably likely to generate;

(6)  whether the automated decision system has been tested by an independent third party, has a known bias, or is untested for bias;

(7)  the purpose and proposed use of the automated decision system, including:

(A)  the decisions the automated decision system will be used to make or support;

(B)  whether the automated decision system is an automated final decision system or an automated support decision system; and

(C)  the automated decision system's intended benefits, including any data or research relevant to the outcome of those results;

(8)  how automated decision system data is securely stored and processed and whether the agency intends to share access to the automated decision system or data from that automated decision system with any other entity, and why; and

(9)  the information technology fiscal impacts of the automated decision system, including:

(A)  initial acquisition costs and ongoing operating costs, such as maintenance, licensing, personnel, legal compliance, use auditing, data retention, and security costs;

(B)  any cost savings that would be achieved through the use of the technology; and

(C)  any current or potential sources of funding, including any subsidies or free products being offered by vendors or governmental entities.

(b)  Not later than March 1, 2024, the council, in consultation with the department, shall prescribe the form, contents, and manner of submission of the automated decision systems inventory report required under this section.

(c)  Each agency shall submit the report required under this section to the:

(1)  department;

(2)  council; and

(3)  standing committees of the senate and house of representatives with primary jurisdiction over state agency information technology.

Sec. 2054.624.  COUNCIL ABOLISHED; EXPIRATION OF SUBCHAPTER. The council is abolished and this subchapter expires January 1, 2025.

SECTION 2.  (a) As soon as practicable after the effective date of this Act but not later than October 1, 2023, the appropriate appointing authorities shall appoint the members to the artificial intelligence advisory council as required by Section 2054.622, Government Code, as added by this Act.

(b)  Not later than November 1, 2023, the advisory council established under Subchapter S, Chapter 2054, Government Code, as added by this Act, shall hold its initial meeting.

SECTION 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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