

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

1 automated decision system that makes final decisions, judgments, or
2 conclusions without human intervention.

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

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

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

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

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

14 Sec. 2054.622. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL.

15 (a) The council is composed of the following seven members:

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

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

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

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

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

27 (B) an academic professional specializing in

1 artificial intelligence systems who is employed by a public or
2 private institution of higher education;

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

5 (D) an expert in constitutional and legal rights.

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

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

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

12 (e) The council shall meet at the call of the co-chairs. The
13 council may meet in person or by telephone conference call,
14 videoconference, or another similar telecommunication method.
15 Notwithstanding Chapter 551 or any other law, a meeting held by
16 telephone conference call, videoconference, or another similar
17 telecommunication method is subject to the requirements of Sections
18 551.125(c), (d), (e), and (f).

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

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

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

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

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

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

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

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

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

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

20 (4) recommendations of any policies necessary to:

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

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

27 and

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

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

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

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

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

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

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

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

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

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

27 (6) whether the automated decision system has been

1 tested by an independent third party, has a known bias, or is
2 untested for bias;

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

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

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

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

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

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

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

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

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

27 (b) Not later than March 1, 2024, the council, in

1 consultation with the department, shall prescribe the form,
2 contents, and manner of submission of the automated decision
3 systems inventory report required under this section.

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

6 (1) department;

7 (2) council; and

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

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

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

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

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

President of the Senate

Speaker of the House

I certify that H.B. No. 2060 was passed by the House on April 20, 2023, by the following vote: Yeas 137, Nays 10, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2060 was passed by the Senate on May 24, 2023, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor