

By: Hughes

S.B. No. 668

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of information with regard to artificial intelligence.

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

SECTION 1. Title 99, Business & Commerce Code, is amended by adding Chapter 2003 to read as follows:

CHAPTER 2003. DISCLOSURES RELATED TO ARTIFICIAL INTELLIGENCE

Sec. 2003.001. DEFINITION. In this chapter, "artificial intelligence" means a machine-based system that:

(1) when given a set of objectives by an individual, makes predictions, recommendations, or decisions that influence a real or virtual environment; and

(2) uses inputs from an individual or machine to:

(A) perceive or interpret a real or virtual environment;

(B) use automation to analyze a perception or interpretation of a real or virtual environment; or

(C) use models to infer or form opinions on information or a proposed action.

Sec. 2003.002. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a person who:

(1) uses artificial intelligence to provide services to an individual in this state, including:

(A) answering questions;

1 (B) gathering information;

2 (C) summarizing information;

3 (D) generating textual, audio, or visual
4 material; or

5 (E) providing information to be used in
6 connection with a lending, underwriting, risk assessment,
7 investing, or hiring decision; and

8 (2) generated, or is more than 25 percent owned by a
9 person who generated, at least \$100 billion in total revenue,
10 including revenue generated by subsidiaries, according to
11 generally accepted accounting principles.

12 (b) Artificial intelligence is considered to be used to
13 provide a service to an individual under Subsection (a)(1)
14 regardless of whether the individual can directly access the
15 artificial intelligence.

16 Sec. 2003.003. DUTY TO DISCLOSE ARTIFICIAL INTELLIGENCE
17 INFORMATION. (a) A person regulated by this chapter shall
18 disclose, on the person's Internet website or in another location
19 electronically accessible by an individual in this state:

20 (1) the name of each artificial intelligence model
21 used by the person;

22 (2) a brief description of the functions and purposes
23 of each model disclosed under Subdivision (1);

24 (3) to the best of the person's knowledge and belief,
25 the name of each public or private third party that has provided
26 input on an artificial intelligence model that the person has
27 implemented;

1 (4) a description of the specific input provided by
2 each third party disclosed under Subdivision (3); and

3 (5) any changes made to an artificial intelligence
4 model based on input provided by a third party disclosed under
5 Subdivision (3).

6 (b) An individual who uses a service described by Section
7 2003.002(a)(1) who provides input on an artificial intelligence
8 model is not considered a third party for purposes of this section
9 if the individual's input was provided:

10 (1) in the individual's personal capacity; and

11 (2) based on the individual's own experience as a user
12 of that service.

13 Sec. 2003.004. DISCRIMINATION AND RETALIATION PROHIBITED.
14 A person may not discipline, retaliate against, or otherwise
15 discriminate against an individual who in good faith reports a
16 suspected violation of this chapter to the attorney general or any
17 other appropriate authority.

18 Sec. 2003.005. COOPERATION WITH ATTORNEY GENERAL. A person
19 shall allow the attorney general to access the records of the person
20 to the extent necessary to ensure the person is in substantial
21 compliance with this chapter.

22 Sec. 2003.006. ENFORCEMENT. (a) A violation of this
23 chapter is a deceptive trade practice under Subchapter E, Chapter
24 17, and is actionable under that subchapter.

25 (b) The attorney general may issue reports to the governor,
26 the legislature, or any other federal, state, or local government
27 official regarding any information obtained investigating a person

1 under this chapter or enforcing a provision of this chapter.

2 (c) A report under Subsection (b) may be public or
3 confidential.

4 (d) The remedies under this section are cumulative of other
5 remedies provided by law.

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