



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1598

PRINTER'S NO. 2899

PRIME SPONSOR: Pielli

### COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	See Fiscal Impact	See Fiscal Impact

### SUMMARY:

Amends Act 387 of 1968, known as the Unfair Trade Practices and Consumer Protection Law, to include provisions regarding content generated using artificial intelligence.

### ANALYSIS:

House Bill 1598, Printer's Number 2899, amends the Unfair Trade Practices and Consumer Protection Law to add a provision prohibiting the knowing or reckless creation, distribution, or publication of material produced using artificial intelligence without clear and conspicuous disclosure.

Artificial intelligence is defined as a technology or tool that uses predictive algorithms to create new content including audio, code, images, text, simulations, or videos.

In order to meet the criteria for clear and conspicuous, a disclosure must:

- Be in a size, color, contrast, location, duration, and audibility that is readily noticeable, readable, understandable, and capable of being heard;
- Not contradict or be inconsistent with information contained in the material to which the disclosure is attached;
- Explain or clarify other information if that information is modified by the disclosure;
- Be unobscured;
- If attached to an audio statement, be delivered in a volume and cadence that make it comprehensible to the consumer;
- If attached to a visual statement, appear and a size and shade, and appear on screen long enough, to be comprehensible to the consumer; and,
- If attached to a print statement, appear in a size and location that will be noticeable and comprehensible to the consumer.

Disclosures are only required in the first instance in which the material to which it is attached is displayed.

The bill also includes language specifying that in criminal cases regarding child pornography or child sex abuse material, the fact that such material was generated using artificial intelligence may not be used as a defense.

The act will take effect in 60 days.

**FISCAL IMPACT:**

The Office of the Attorney General or a District Attorney may bring action in the name of the Commonwealth against any person that is using or is about to use any method, act, or practice prohibited by the Unfair Trade Practices and Consumer Protection Law. It is possible that expanding the practices prohibited by the Unfair Trade Practices and Consumer Protection Law to include undisclosed use of materials produced by artificial intelligence may lead to the Attorney General or District Attorneys acting in the future. At this time, however, no complaints have been received regarding materials generated by artificial intelligence, and there are no data on which to estimate the number of potential future actions that may be brought. The fiscal impact of this legislation is therefore indeterminate, at this time.

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House Appropriations Committee (D)

**DATE:** April 10, 2024

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*