

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB487- S1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Aird

3. **Committee:** General Laws and Technology

4. **Title:** Use of artificial intelligence by public bodies; prohibitions.

5. **Summary:** Prohibits any public body from implementing any system that employs artificial intelligence unless such public body (i) performs an initial impact assessment and ongoing impact assessments of such system to ensure its use will not result in any unlawful discrimination against any individual or group of individuals or have any disparate impact on any individual or group of individuals and (ii) does not implement or ceases to use such system if such effects occur. The bill requires all public bodies that implement such systems to submit an annual report on such assessments and provide an inventory of all such systems used to the appropriate entity designated in the bill. The bill directs the Chief Information Officer of the Commonwealth to develop, publish, and maintain policies and procedures concerning systems that employ artificial intelligence and are used by public bodies.

Creates the Commission on Artificial Intelligence to advise the Governor on issues related to artificial intelligence and make advisory recommendations based on its findings. The bill has an expiration date of July 1, 2027.

6. **Budget Amendment Necessary:** Yes, Item 1 and Item 81.

7. **Fiscal Impact Estimates:** Preliminary

Item 1:

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$0	0	N/A
2025	\$22,048	0	GF
2026	\$22,048	0	GF
2027	\$22,048	0	GF
2028	\$0	0	N/A
2029	\$0	0	N/A
2030	\$0	0	N/A

Item 81:

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$0	0	N/A
2025	\$200,000	1	ISF
2026	\$200,000	1	ISF
2027	\$200,000	1	ISF
2028	\$200,000	1	ISF
2029	\$200,000	1	ISF
2030	\$200,000	1	ISF

- 8. Fiscal Implications:** The provisions of this bill require that the Virginia Information Technologies Agency (VITA) develop and maintain procedures for state agencies that use systems involving artificial intelligence. Currently VITA does not have the personnel with enough expertise in artificial intelligence to meet the requirements of this bill. They will require one additional enterprise architecture employee to lead the work associated with this bill. Salary and benefits of this position will total to \$200,000 as this is a high demand and high skill job role.

This legislation also establishes the Commission on Artificial Intelligence. It is estimated the member compensation will be approximately \$4,800 for the House and \$4,800 for the Senate. This provides for four House members and four Senate members attending four meetings per year, the average number of meetings a commission of this nature usually involves, and should be paid by the offices of the Clerk of the House of Delegates or the Clerk of the Senate. The travel expenses are expected to be \$5,024 for the House and \$5,024 for the Senate, and should be paid by the offices of the Clerk of the House of Delegates or the Clerk of the Senate. Compensation and travel expenses for the two nonlegislative citizen members appointed by the Senate Committee on Rules will be approximately \$1,200, and should be paid by the office of the Clerk of the Senate. Compensation and travel expenses for the two nonlegislative citizen members appointed by the Speaker of the House will be approximately \$1,200, and should be paid by the office of the Clerk of the House of Delegates.

- 9. Specific Agency or Political Subdivisions Affected:** All state public bodies, VITA, House of Delegates, Senate of Virginia, Joint Commission on Technology and Science

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** SB621 absorbed with amendments.