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1850 M Street NW 12th Floor Washington, DC 20036 (202) 326-6000 www.naag.org May 16, 2025

The Honorable Mike Johnson Speaker U.S. House of Representatives Washington, DC 20515

The Honorable Hakeem Jeffries Minority Leader U.S. House of Representatives Washington, DC 20515 The Honorable John Thune Majority Leader U.S. Senate Washington, DC 20510

The Honorable Chuck Schumer Minority Leader U.S. Senate Washington, DC 20510

Dear Speaker Johnson, Majority Leader Thune, Minority Leader Jeffries, and Minority Leader Schumer:

We, the undersigned attorneys general (the "State AGs"), write to voice our opposition to the amendment added by the U.S. House Energy and Commerce Committee to the budget reconciliation bill that imposes a 10-year prohibition on states from enforcing any state law or regulation addressing artificial intelligence ("AI") and automated decision-making systems. The impact of such a broad moratorium would be sweeping and wholly destructive of reasonable state efforts to prevent known harms associated with AI. This bill will affect hundreds of existing and pending state laws passed and considered by both Republican and Democratic state legislatures. Some existing laws have been on the books for many years.

The promise of AI raises exciting and important possibilities. But, like any emerging technology, there are risks to adoption without responsible, appropriate, and thoughtful oversight. In the absence of federal action to install this oversight, over the years, states have considered and passed legislation to address a wide range of harms associated with AI and automated decision-making. These include laws designed to protect against AI-generated explicit material,<sup>1</sup> prohibit

<sup>&</sup>lt;sup>1</sup> See e.g., S.B. 25-288, 2025 Leg., 75th Gen. Assem., 1st Reg Sess. (Colo. 2025); TENN. CODE ANN. § 39-17-1002, amended by 2024 Tenn. Acts, Pub. Ch. 911, eff. 7/1/2024; ILL. COMP. STAT. 103-0825 / 6-106.1 (2024); H.B. 2299, 2025 Leg., Reg. Sess. (Or. 2025); H.B. 4744, 2023-2024 Leg., 193rd Gen. Assemb.,

deep-fakes designed to mislead voters and consumers,<sup>2</sup> protect renters when algorithms are used to set rent,<sup>3</sup> prevent spam phone calls and texts,<sup>4</sup> require basic disclosures when consumers are interacting with specific kinds of Al,<sup>5</sup> and ensure identity protection for endorsements and other Al-generated content.<sup>6</sup> Perhaps most notably, of the twenty states that have enacted comprehensive data privacy legislation, the overwhelming majority included provisions that give consumers the right to opt out of specific kinds of consequential, automated decision-making<sup>7</sup> and require risk assessments before a business can use high-risk automated profiling.<sup>8</sup>

As evidenced by this brief overview, states are enforcing and considering not just laws that seek to regulate AI or automated decision-making more generally, but also carefully tailored laws targeting specific harms related to the use of AI. These laws and their regulations have been developed over years through careful consideration and extensive stakeholder input from consumers, industry, and advocates. And, in the years ahead, additional matters-many unforeseeable today given the rapidly evolving nature of this technology-are likely to arise.

<sup>3</sup> H.B. 24-1057, 2024 Leg., 74th Gen. Assemb., Reg. Sess. (Colo. 2024); H.B. 2847, 2025 Leg., 1st Reg. Sess. (Ariz. 2025); S.B. 3657, 2024-2025 Leg., Reg. Sess. (N.J. 2024); H.B. 558-FN, 2025 Leg., Reg. Sess. (N.H. 2025); S.B. 2697, 2025-2026 Leg., Reg. Sess. (N.Y. 2025); FLA. STAT. § 106.145.

<sup>4</sup> See, e.g., CAL. BUS. & PROF. CODE §§ 1798.100, et seq. (2019); FLA. STAT. §§ 501.059 et seq. (2021), OK. STAT. tit 15 §§ 775C.1, et seq. (2022); MD. CODE ANN. §§ 14-4501 et seq. (2023); H.B. 679, 2025-2026 Leg., Reg. Sess. (Ga. 2025).

<sup>5</sup> UTAH CODE ANN. § 13-72a-201; CAL. HEALTH & SAFETY CODE § 1316.9; S.B. 640, 2025 Leg., Reg. Sess. (Haw. 2025); H.B. 3021, 2025-2026 Leg., 104th Gen. Assemb., Reg. Sess. (Ill. 2025); H.B. 127, 2025 Leg., Reg. Sess. (Idaho 2025); H.B. 1620, 2025 Leg., Reg. Sess. (Ind. 2025).

<sup>6</sup> See, e.g., N.H. REV. STAT. ANN. § 638:26-a; CAL. CIV. CODE § 3344.1; A.B. 5164, 2024-2025 Leg., Reg. Sess. (N.J. 2025); S.B. 217, 2023-2024 Leg., 135th Gen. Assemb. Reg. Sess. (Ohio 2024); H.B. 431, 2025-2026 Leg., Reg. Sess. (Pa. 2025); UTAH CODE ANN. § 45-3-2, et seq; A3540 (N.J. Stat. Ann. § 2C:21-17.7 et. seq.).

<sup>7</sup> CAL. CIV. CODE §§ 1798.100 et seq. (2018); COLO. REV. STAT. §§ 6-1-1001 et seq. (2020); CONN. GEN. STAT. §§ 42-515 et seq. (2022); DEL. CODE. ANN. tit. 6 §§ 12D-101 et seq.; IND. CODE §§ 24-15-1-1 et seq.; KY. REV. STAT. ANN. §§ 367.3611 et seq.; MD. CODE ANN. §§ 14-1601 et seq.; MINN. STAT. § 325O.01; MONT. CODE ANN. §§ 30-14-2801 et seq.; NEB. REV. STAT. §§ 87-1101 et seq. (2024); N.H. REV. STAT. ANN. § 507-H; NJ §§ 56:8-166.4 et seq.; OR. REV. STAT. §§ 646A.570 et seq. (2023); 6 R.I. GEN. LAWS §§ 6-48.1-1 et seq. (2024); TENN. CODE ANN. §§ 47-18-3201 et seq.; TEX. BUS. CODE ANN. §§ 541.001 et seq. (2023); VA. CODE ANN. §§ 59.1-575 et seq.

Reg. Sess. (Mass. 2024); S.B. 217, 2023-2024 Leg., 135th Gen. Assemb., Reg. Sess. (Ohio 2024); Ala. Code § 14A-6-240.

<sup>&</sup>lt;sup>2</sup> See e.g., Political Reform Act of 1974, CAL. GOV'T CODE §§ 81000-91014 (amended 2025); N.H. REV. STAT. ANN. § 664:14-c; COLO. REV. STAT. § 1-45-101; FLA. STAT. § 106.145; S.B. 33, 2025-2026 Leg., 34th Gen. Assemb., 1st Sess. (Alaska 2025); H.B. 986, 2023-2024 Leg., Reg. Sess. (Ga. 2024); S.B. 1571, 2024 Leg., Reg. Sess. (Or. 2024).

A bipartisan coalition of State Attorneys General previously recommended that an appropriate federal framework for AI governance should focus on "high risk" AI systems and emphasize "robust transparency, reliable testing and assessment requirements, and afterthe-fact enforcement." In that letter, the coalition stated that State Attorneys General should:

... have concurrent enforcement authority in any Federal regulatory regime governing Al. Significantly, State AG authority can enable more effective enforcement to redress possible harms. Consumers already turn to state Attorneys General offices to raise concerns and complaints, positioning our offices as trusted intermediaries that can elevate concerns and take action on smaller cases.<sup>9</sup>

Rather than follow the recommendation from the bipartisan coalition of State Attorneys General, the amendment added to the reconciliation bill abdicates federal leadership and mandates that all states abandon their leadership in this area as well. This bill does not propose *any* regulatory scheme to replace or supplement the laws enacted or currently under consideration by the states, leaving Americans entirely unprotected from the potential harms of Al. Moreover, this bill purports to wipe away any state-level frameworks already in place.

Imposing a broad moratorium on all state action while Congress fails to act in this area is irresponsible and deprives consumers of reasonable protections. State AGs have stepped in to protect their citizens from a myriad of privacy and social media harms after witnessing, over a period of years, the fallout caused by tech companies' implementation of new technology coupled with a woefully inadequate federal response. In the face of Congressional inaction on the emergence of real-world harms raised by the use of AI, states are likely to be the forum for addressing such issues. This bill would directly harm consumers, deprive them of rights currently held in many states, and prevent State AGs from fulfilling their mandate to protect consumers.

To the extent Congress is truly willing and able to wrestle with the opportunities and challenges raised by the emergence of AI, we stand ready to work with you and welcome federal partnership along the lines recommended earlier. And we acknowledge the uniquely federal and critical national security issues at play and wholeheartedly agree that our nation must be the AI superpower. This moratorium is the opposite approach, however, neither respectful to states nor responsible public policy. As such, we respectfully request that Congress reject the AI moratorium language added to the budget reconciliation bill.

Sincerely,

<sup>&</sup>lt;sup>9</sup> Comment on Artificial Intelligence ("AI") system accountability measures and policies, COLO. OFF. OF THE ATT'Y GEN. (June 12, 2023), https://coag.gov/app/uploads/2023/06/NTIA-AI-Comment.pdf.

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