

Model State AI Innovation and Child Protection Act

Section 1. Title

This act may be cited as the “AI Innovation and Child Protection Act.”

Section 2. Findings

- (a) Existing regulatory frameworks often create unnecessary barriers to AI development and deployment;
- (b) State agencies can improve efficiency through AI adoption while reducing regulatory burdens.

Section 3. Definitions

- (a) “Artificial intelligence system” means any machine learning-based system that can, for a given set of objectives, generate outputs such as content, predictions, recommendations, or decisions influencing physical or virtual environments.
- (b) “Computational resources” means any tools, technologies, systems, or infrastructure, whether digital, analog, or quantum, that facilitate computation, data processing, storage, transmission, manipulation, or use of information.
- (c) “Government entity” means any state agency, department, board, commission, or other unit of state government.
- (d) “Content” means any digitally generated, manipulated, or synthesized text, images, audio, video, three-dimensional models, interactive elements, or combination thereof that can be produced as output by an artificial intelligence system.

Section 4. Government Efficiency and Modernization

- (a) The Governor shall direct state agencies to:
 - (1) Identify opportunities to implement AI solutions that reduce administrative burdens;
 - (2) Eliminate regulations that unnecessarily restrict AI innovation; and
 - (3) Streamline procurement processes to enable AI adoption.
- (b) Agency implementation of AI systems shall:
 - (1) Focus on reducing costs and improving service delivery;
 - (2) Not create new regulatory requirements solely applicable to private sector AI development; and
 - (3) Utilize existing staff and resources without creating new administrative bodies.

Section 5. Regulatory Limitations

- (a) Proposed rules must only regulate, test, or assess AI generated outcomes, and may not require preemptive review of source code, models, algorithms, training data, or similar information prior to an AI tool or service being deployed or used for commercial or noncommercial purposes.
- (b) No government entity may promulgate rules specifically regulating AI or computational technologies unless:
 - (1) The legislature provides an express statutory delegation to address a specific harm;
 - (2) Proposed rules are the least restrictive means available to achieve the statutory objective;
 - (3) Benefits clearly outweigh impacts on innovation and competition; and
 - (4) Rules do not create barriers to market entry or advantage incumbent firms.
- (c) All agencies shall:
 - (1) Review existing regulations affecting AI development to identify instances of regulatory capture or negative impacts on competition and innovation; and
 - (2) Modify or eliminate any AI regulation that creates unreasonable barriers to AI innovation.
- (d) Any emergency or temporary rule specifically regulating AI or computational technology shall be approved by the legislature subject to the following conditions:
 - (1) All such rules in effect at the beginning of a legislative session must receive a ratifying vote in order for the regulation to remain in effect at the conclusion of the legislative session; and
 - (2) The state legislature shall schedule a vote on the floor of each house to ratify all such rules within the first thirty (30) days of the legislative session; and
 - (3) The state legislature shall not require more than a simple majority vote to ratify a rule.

Section 6. Criminal Law

- (a) Nothing in this Act prevents state or local law enforcement from applying current criminal and civil laws against activity facilitated by an Artificial intelligence system.
- (b) It shall not be a defense to criminal activity that the actor used an artificial intelligence system to commit the criminal act.

Section 7. Certain Sexually Explicit Videos, Images, Child Pornography, Promotion of Self Harm, and Censorship of Political Speech

- (a) Unlawful Distribution of Non-Consensual Synthetic Sexual Material.

- (1) In this section:
 - (A) “Synthetic Sexual Material” means visual material, as defined in the [relevant state code], that has been created, altered, or manipulated through the use of

artificial intelligence systems or other digital methods to realistically depict a particular person.

- (B) “Intimate parts” has the meaning assigned by [relevant state code].
- (2) A person commits an offense if:
- (A) without the effective consent of the depicted person, the person distributes, transmits, or otherwise makes available Synthetic Sexual Material that realistically depicts another person;
 - (B) at the time of the distribution or transmission, the person knows or has reason to believe that the Synthetic Sexual Material was created or altered without the knowledge or consent of the depicted person and under circumstances in which the depicted person had a reasonable expectation of privacy; and
 - (C) the distribution of the Synthetic Sexual Material causes harm to the depicted person or is intended to cause such harm.
- (3) A person commits an offense if the person intentionally threatens to distribute, without the consent of the depicted person, Synthetic Sexual Material that depicts the person with the person’s intimate parts exposed or engaged in sexual conduct and makes the threat to obtain a benefit:
- (A) in return for not making the disclosure; or
 - (B) in connection with the threatened disclosure.
- (4) A person commits an offense if, knowing the character and content of the Synthetic Sexual Material, the person promotes such material on an Internet website, social media, or other digital platform.
- (5) It is not a defense to prosecution under this section that the depicted person:
- (A) created or consented to the creation of the Synthetic Sexual Material, unless the depicted person is the one who distributes, transmits, or otherwise makes the material available for lawful purposes; or
 - (B) voluntarily transmitted the Synthetic Sexual Material to the actor.
- (6) An offense under this section is a Class A misdemeanor, except that the offense is a state jail felony if committed with the intent to extort, harass, or intimidate the depicted person.
- (7) If conduct that constitutes an offense under this section also constitutes an offense under another law, the actor may be prosecuted under this section, the other law, or both.
- (8) A victim of an offense under this section may bring a civil action to recover damages, including mental anguish, court costs, and reasonable attorney’s fees.

Section 8. Unlawful Distribution of Synthetic child pornography. [relevant state code], is amended to read as follows

- (1) A person commits an offense under this section if the person:
- (A) knowingly or intentionally uses an artificial intelligence system to generate or create visual material described by Subsection (a)(1); or
 - (B) knowingly or intentionally possesses or promotes visual material that the person knows was generated by an artificial intelligence system and depicts a child as described by Subsection (a)(1), regardless of whether:

- (C) the offense is subject to the same penalties provided under Subsections (d), (d-1), and (d-2).

Section 9. Unlawful Development or Distribution of Artificial Intelligence Applications Intended to create, distribute, or promote child pornography.

- (1) A person commits an offense if the person:
- (A) Knowingly develops or distributes an Artificial Intelligence Application specifically designed to create, distribute, or promote child pornography or to create, distribute, or promote synthetic child pornography; and
 - (B) Does so with the intent that the application be used by others to create, distribute, or promote child pornography or materials described in [relevant state code] or with knowledge that it will be used for that purpose.
- (2) This section does not apply to:
- (A) Instances where the Artificial Intelligence Application produces content that promotes child pornography or child pornography solely as a result of user prompts or inputs, without the developer's intent to encourage such outputs;
 - (B) Educational or research institutions conducting bona fide research with appropriate safeguards and oversight;
 - (C) Law enforcement activities authorized under state or federal law.
- (3) An offense under this section is a felony of the third degree.
- (4) A victim of an offense under this section may bring a civil action to recover damages, including mental anguish, court costs, and reasonable attorney's fees.

Section 10. Unlawful Development or Distribution of Artificial Intelligence Applications Intended to Promote Self-Harm

- (1) A person commits an offense if the person:
- (A) Knowingly develops or distributes an Artificial Intelligence Application specifically designed to promote self-harm; and
 - (B) Does so with the intent that the application be used by others to promote self-harm or with knowledge that it will be used for that purpose.
- (2) This section does not apply to:
- (A) Instances where the Artificial Intelligence Application produces content that promotes self-harm solely as a result of user prompts or inputs, without the developer's intent to encourage such outputs;
 - (B) Licensed medical practitioners providing legitimate medical or therapeutic services;
 - (C) Educational or research institutions conducting bona fide research with appropriate safeguards and oversight;
 - (D) Law enforcement activities authorized under state or federal law.
- (3) An offense under this section is a felony of the third degree.
- (4) A victim of an offense under this section may bring a civil action to recover damages, including mental anguish, court costs, and reasonable attorney's fees.

Section 11. Prohibition of Censorship of Political Speech by Interactive Computer Services Using Artificial Intelligence

- (1) An Interactive Computer Service (as defined in 47 U.S.C. Section 230) may not, through the use of an Artificial Intelligence Algorithm:
 - (A) Block, ban, remove, de-platform, demonetize, de-boost, restrict, or otherwise discriminate against a user based on the user's Political Speech;
 - (B) Modify or manipulate a user's content or postings for the purpose of censoring Political Speech.
- (2) The prohibition applies regardless of whether the service's actions are automated or conducted with human oversight
- (3) Exceptions: This section does not apply to speech that would otherwise be Political Speech but that:
 - (A) Is illegal under federal or state law;
 - (B) Constitutes a credible threat of violence or incitement to imminent lawless action;
 - (C) Contains obscene material as defined by Section XX the [State] Criminal Code; or
 - (D) Violates intellectual property rights under applicable law.
- (4) The attorney general may bring an action to enforce this section and seek civil penalties of up to \$10,000 for each violation.
- (5) This section shall be construed to be consistent with federal statutes, including 47 U.S.C. Section 230, and the United States Constitution.

Section 12. Liability protection for developers of AI tools and systems of general applicability when such tools are used for illegal or illicit activities.

- (1) Except as provided under paragraph (c), (d), and (f)(2) of this section, the developer of an AI application, tool, or system shall not be liable for damages arising from the use of an AI application, tool, or system when a third-party user did so with the intent to utilize the AI for illegal or illicit activities or intent to cause harm, unless
- (2) the AI application, tool or system
 - (a) was developed with the knowledge or intent that the primary purpose of the AI application, tool or system would be for illegal or illicit activities, or
 - (b) developer should have known that the primary use of the tool would be for illegal or illicit purposes.

Section 13. Preemption and Severability

- (a) This act supersedes and preempts any conflicting local regulations.
- (b) If any provision of this act is held invalid, the remainder shall continue in effect.

Section 14. Effective Date

This act shall take effect immediately upon passage.