

SUBJECT: Creating the artificial intelligence advisory council

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 11 ayes — Hunter, Hernandez, Geren, Guillen, Metcalf, Raymond,
Slawson, Smithee, Spiller, S. Thompson, Turner

0 nays

2 absent — Anchía, Dean

WITNESSES: For — (*Registered, but did not testify*: Rahul Sreenivasan, Texas 2036;
Fred Shannon, Texas Association of Manufacturers)

Against — (*Registered, but did not testify*: Adam Cahn)

On — (*Registered, but did not testify*: John Hoffman, Tx DIR)

DIGEST: CSHB 2060 would establish an artificial intelligence (AI) advisory
council consisting of:

- one member of the House of Representatives appointed by the speaker;
- one member of the Senate appointed by the lieutenant governor;
- the executive director of the Department of Information Resources (DIR) or the director's designee;
- an academic professional specializing in ethics employed by an institution of higher education;
- an academic professional specializing in AI systems employed by an institution of higher education;
- an expert on law enforcement usage of AI systems; and
- an expert in constitutional and legal rights.

The academic professionals and experts would be appointed by the governor. The members appointed by the speaker of the House and the

lieutenant governor would serve as co-chairs of the council. The DIR would provide administrative support for the council. The council would study and monitor AI systems developed, employed, or procured by state agencies. The council would be required to:

- assess the need for a state code of ethics for AI systems in state government;
- review automated decision systems inventory reports submitted by state agencies as required by the bill, including review of these systems' effect on residents' rights, duties, or privileges, as well as the potential risks and benefits of implementing such systems; and
- recommend administrative actions that state agencies could take without further legislative authorization.

Advisory council report. By December 1, 2024, the council would have to submit a report to the legislature that included:

- a summary of the council's findings after reviewing the automated decision systems inventory reports required by the bill;
- a summary of the recommendations of any relevant national bodies on AI systems in state government;
- an assessment of the impact of using AI systems in state government on the liberty and interests of Texas residents;
- recommendations of any policies necessary to protect Texas residents from certain negative effects caused by the use of AI systems in state government and to promote the development of ethical AI systems in state government; and
- any other information the council deemed relevant.

The council members would have to be appointed as soon as practicable after the bill's enactment, but no later than October 1, 2023. The council would be abolished January 1, 2025.

Automated decision systems inventory reports. By July 1, 2024, each state agency would be required to submit an inventory report of all automated decision systems that were being developed, used, or procured

by the agency. For each system, the report would have to include a description of:

- the name and vendor of the automated decision system, if any;
- the system's general capabilities, including those outside the scope of the agency's proposed use and whether the system was or could be used for independent decision-making powers, and the impact of those decisions on Texas residents;
- the types of data inputs that the technology used;
- how the data was generated, collected, and processed;
- the types of data the system was likely to generate;
- whether the automated decision system had been tested by an independent third party, had a known bias, or was untested for bias;
- the purpose and proposed use of the system, including whether the system could make final decisions or only support human decision-making;
- how system data was securely stored and processed and whether the agency intended to share access to the system or data with another entity, and why; and
- the information technology fiscal impacts of the system, including costs, savings, and sources of funding.

The reports would be required to be submitted to the AI advisory council, DIR, and the House and Senate committees with primary jurisdiction over state agency information technology.

CSHB 2060 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023.

**SUPPORTERS
SAY:**

CSHB 2060 would ensure that the Legislature received adequate information to exercise proper oversight of AI use by state agencies and would help the state develop ethically responsible standards for AI systems in state government. In 2019, the Legislature authorized state agencies to use AI systems, and DIR began efforts to support agencies in their adoption and development of AI systems. However, agencies are not

required to participate in DIR's support program, and many agencies are not connected to DIR's services. CSHB 2060 is needed to provide the Legislature with a full picture of how AI is being employed across state government.

AI has the potential to solve difficult problems, create growth, and accelerate decision-making, but it also carries the risk of infringing on citizens' liberties, perpetuating biases, and producing other unintended consequences. The advisory council created by CSHB 2060 and the report it would produce are necessary tools that would enable and inform legislative as well as executive oversight. Once the council had completed its assigned task, it would sunset in 2025.

**CRITICS
SAY:**

Creating a new, specific state entity is not necessarily the best way to address concerns about the use of AI in state government.