

HB 4103 -4 STAFF MEASURE SUMMARY

Joint Committee On Information Management and Technology

Prepared By: Sean McSpaden, Committee Coordinator

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/6, 2/20

WHAT THE MEASURE DOES:

HB 4103 establishes the Senator Aaron Woods Commission on Artificial Intelligence within the office of Enterprise Information Services to serve as a central resource to monitor the use of artificial intelligence technologies and systems in this state and identify and report on long-term policy implications. The measure directs the commission to submit an annual report to the Legislative Assembly which may include recommendations for legislation, regulations, or policies. The measure directs the Oregon Department of Administrative Services to hire a Chief Artificial Intelligence Officer to assist the commission in carrying out the commission's duties and provides a General Fund appropriation to the department of a yet to be determined amount, which may be used to hire additional full-time employees to enable Chief Artificial Intelligence Officer to carry out the officer's duties described within the measure.

Fiscal impact: *May have fiscal impact, but no statement yet issued.*

Revenue impact: *May have revenue impact, but no statement yet issued.*

Operative Date: January 1 of the year after the passage of the act.

Detailed Summary

- Establishes an eighteen (18) member Senator Aaron Woods Commission on Artificial Intelligence within the office of Enterprise Information Services, consisting of fourteen (14) voting and four (4) nonvoting members.
- Directs the commission to monitor trends, impacts, and long-term policy implications from the use of artificial intelligence technologies and systems in this state. The commission shall (among other duties):
 - Conduct a literature review of public policy issues related to the use of artificial intelligence technologies;
 - Conduct a review of existing protections under federal, state, and local laws related to individuals' data and privacy rights, civil rights, intellectual property rights and safety;
 - Identify uses of artificial intelligence systems that present or create a high risk to individuals and their safety, or their employment, civil, or constitutional rights;
 - Conduct a review of issues related to bias and unlawful discrimination from the use of artificial intelligence systems and provide recommendations for mitigating or protecting against such discrimination;
 - Identify opportunities to support or promote innovation and economic growth in this state in artificial intelligence technologies and related economic growth and workforce development through policymaking or the use of grants or incentives;
 - Provide recommendations on limitations on the use of artificial intelligence;
 - Review the state of education in this state around the uses of artificial intelligence systems at the primary, secondary and post-secondary education levels;
 - Provide recommendations relating to the industry-wide standards and legal use of data to train artificial intelligence models;
 - Provide recommendations on prioritizing transparency to improve the understanding of the behavior and functional components of artificial intelligence systems and enable the identification of performance issues, safety and privacy concerns, biases, exclusionary practices and unintended outcomes;

HB 4103 -4 STAFF MEASURE SUMMARY

- Conduct a review of legal and contractual protections for individual personhood against the use of artificial intelligence systems to create an artificial replica, including an artificial replica of a person's voice, image or likeness;
- Seek input from community members and state agencies, including the Department of Education, Department of Consumer and Business Services, Oregon Health Authority and State Department of Energy; and
- Meet once every three months and submit an annual report to the Legislative Assembly on or before September 1 of each year. The report may include recommendations for legislation, regulations or policies related to the commission's reviews and findings.
- Allows the commission to establish one or more advisory subcommittees, representing broad and diverse cross sections of stakeholders, to advise in an area impacted by artificial intelligence including, but not limited to:
 - Workforce and labor;
 - Privacy and data;
 - Ethics and bias in health care, housing, law enforcement, education, civil rights or employment;
 - Education; or
 - Innovation.
- Directs the Oregon Department of Administrative Services to employ a Chief Artificial Intelligence Officer to assist and advise, and provide policy, resources, and staff support to the commission.
- Allows the Oregon Department of Administrative Services to charge an assessment to a state or local agency, officer, board or commission for the cost incurred by the department or the commission in providing requested services related to artificial intelligence systems.
- Provides a General Fund appropriation to the Oregon Department of Administrative Services of a yet to be determined amount, which may be used to hire additional full-time employees to enable the Chief Artificial Intelligence Officer to carry out the officer's duties.

ISSUES DISCUSSED:

- Risks and benefits, and the potential perils and the promise of the use of artificial intelligence.
- Rapid advances in artificial intelligence technologies. Dramatic acceleration of the use of artificial intelligence in all sectors.
- Need to establish guardrails, and to govern and responsibly oversee the use of artificial intelligence (AI) on an ongoing basis moving forward.
- Discussion of the substantial changes within the proposed amendment to the measure.
- Questions regarding the need for a permanent commission vs addressing this important topic (now focused internally on the use of AI in state government) through a standing legislative committee or via a time and scope limited task force, advisory council, or working group.
- Recommendation for additional member (s) on the commission from Oregon's disability community.
- Final action plan and recommendations submitted to Governor Kotek by the State Government AI Advisory Council in early 2025.
- Applied AI education and degree programs at Oregon's public institutions of higher learning.

EFFECT OF AMENDMENT:

-4 The amendment would substantially modify the purpose, duties, and size and structure of the commission on artificial intelligence proposed within the measure. The amendment would limit the focus of the commission's responsibilities to analysis of long-term policy implications of artificial intelligence technologies used internally by Oregon state government, review of benefits and risks of state government use of artificial intelligence technologies, and evaluation of impacts on historically disadvantaged communities, workforce, civil rights, privacy, and safety.

The amendment would require the commission to identify uses of artificial intelligence systems by the state that present or create a high risk, conduct literature and policy reviews, assess alignment or conflict between federal and state artificial intelligence laws, and develop recommendations regarding state use of artificial intelligence to support or make decisions regarding employment and the mitigation of potentially discriminatory outcomes.

The amendment would: direct the Oregon Department of Administrative Services to employ, at the appointment of the State Chief Information Officer, a strategic artificial intelligence, data protection and privacy official to support the commission's work; authorize the department to charge fees for services provided to state agencies; and, provide a General Fund appropriation of a yet to be determined amount to the department for staffing and administrative support.

BACKGROUND:

Governor Kotek issued Executive Order 23-26 in November 2023 establishing a fifteen (15) member State Government Artificial Intelligence Advisory Council to recommend an action plan to guide awareness, education, and usage of artificial intelligence in state government. The State Government Artificial Intelligence Advisory Council met nine (9) times between March 2024 and February 2025 and delivered the final recommended action plan to Governor Kotek on February 11, 2025.

During the 2024 legislative session, House Bill 4153 relating to artificial intelligence was passed and signed into law. House Bill 4153 (2024) established a fourteen (14) member Task Force on Artificial Intelligence to examine and identify terms and definitions related to artificial intelligence that may be used for legislation and report its findings and recommendations to the Joint Legislative Committee on Information Management and Technology by December 2024. The Task Force presented its final report and recommendations to the Joint Legislative Committee on Information Management and Technology on December 11, 2024, and reached its planned sunset on January 1, 2025.

During the 2025 legislative session, House Bill 3592 relating to artificial intelligence was introduced and assigned to the Joint Legislative Committee on Information Management and Technology. In June 2025, the measure was voted out of the committee, "[w]ithout recommendation as to passage, with amendments, be printed A-Engrossed, and be referred to Ways and Means by prior reference." The measure remained in the Joint Committee on Ways and Means upon adjournment.