

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 4, 2024

3:33 p.m.

MEMBERS PRESENT

Senator Scott Kawasaki, Chair
Senator Matt Claman, Vice Chair
Senator Jesse Bjorkman
Senator Bill Wielechowski
Senator Kelly Merrick

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 177

"An Act relating to artificial intelligence; requiring disclosure of deepfakes in campaign communications; relating to cybersecurity; and relating to data privacy."

- HEARD & HELD

SENATE BILL NO. 262

"An Act relating to the state Artificial Intelligence Task Force; and providing for an effective date."

- HEARD & HELD

CONFIRMATION HEARING(S) :

Personnel Board

Donald Handeland - Anchorage

- CONFIRMATION ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: SB 177

SHORT TITLE: AI, DEEPFAKES, CYBERSECURITY, DATA XFERS

SPONSOR(S) : SENATOR(S) HUGHES

01/16/24 (S) PREFILE RELEASED 1/12/24

01/16/24 (S) READ THE FIRST TIME - REFERRALS
01/16/24 (S) STA, JUD
02/01/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
02/01/24 (S) Heard & Held
02/01/24 (S) MINUTE (STA)
04/04/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 262

SHORT TITLE: ARTIFICIAL INTELLIGENCE TASK FORCE

SPONSOR(s): STATE AFFAIRS

04/02/24 (S) READ THE FIRST TIME - REFERRALS
04/02/24 (S) STA
04/04/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

DONALD HANDELAND, Appointee
Personnel Board
Anchorage, Alaska

POSITION STATEMENT: Testified as the governor's appointee to the Personnel Board.

ROBIN O'DONOGHUE, Project Lead
Special AK Public Interest Research Group
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to the confirmation of Donald Handeland.

MATTHEW HARVEY, Staff
Senator James Kaufman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the summary of changes for SB 201.

SENATOR JAMES KAUFMAN, District F
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 201.

STEPHEN KNOUSE, Staff
Senator Hughes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the summary of changes for SB 177.

GRIFFEN SUKKAEW, Staff

Senator Scott Kawasaki
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sponsor statement for SB 262.

DAVID EDMONSON, Senior Vice President
TechNet
Austin, Texas

POSITION STATEMENT: Invited testimony for SB 262.

ACTION NARRATIVE

[3:33:53 PM](#)

CHAIR SCOTT KAWASAKI called the Senate State Affairs Standing Committee meeting to order at 3:33 p.m. Present at the call to order were Senators Claman, Bjorkman, Merrick, and Chair Kawasaki. Senator Wielechowski arrived thereafter.

CONFIRMATION HEARING(S) : **PERSONNEL BOARD**

[3:35:14 PM](#)

CHAIR KAWASAKI announced the consideration of the governor's appointee Donald Handeland to the Personnel Board.

[3:35:36 PM](#)

DONALD HANDELAND, Appointee, Personnel Board, Anchorage, Alaska, introduced himself. He stated that he works as a professional civil engineer at CRW in Anchorage. He has worked on civil and construction projects throughout Alaska, primarily focusing on transportation. He mentioned his longstanding involvement in the state board, beginning in high school as the student representative to the Alaska State Board of Education. He has served on the Alaska Task Force, the Alaska Advisory Task Force, and worked on higher education and career readiness initiatives. Additionally, since 2021, he has been a public member of the Alaska Commission on Postsecondary Education and continues to serve in that role. He expressed his dedication to his responsibilities on the board, emphasizing that he thoroughly reviews meeting materials in advance to represent the public's perspective and hold public servants accountable to the highest standards outlined in the Alaska Executive Branch Ethics Act.

[3:37:26 PM](#)

CHAIR KAWASAKI asked whether, since being appointed to the personnel board, he had handled any specific business and

requested that he elaborate on the decision-making process he followed.

[3:37:39 PM](#)

MR. HANDELAND replied that since his appointment in September, the board has not yet had to address any significant issues. He mentioned that his primary focus has been on working with other members who have extensive experience. Fortunately, no major matters have come before the board requiring urgent action so far.

[3:38:25 PM](#)

CHAIR KAWASAKI opened public testimony on the appointment of Donald Handeland.

[3:39:10 PM](#)

ROBIN O'DONOGHUE, Special Project Lead, Special Alaska Public Interest Research Group (AKPIRG), Anchorage, Alaska, testified in opposition to the appointment of Donald Handeland. He said that the Alaska Public Interest Research Group (AKPIRG) is the only consumer advocacy and research nonprofit organization in the state, operating as a non-partisan group focused on consumer and good governance issues, particularly when these conflict with powerful financial and special interests. The group's goal is to promote transparent and accountable government systems. He relayed that AKPIRG objects to the confirmation of Donald Hanlon to the Alaska Personnel Board. He outlined the responsibilities of the board, which include approving or disapproving amendments to personnel rules, acting on recommendations for the extension of partially exempt and classified services, determining appeals by classified employees, and fulfilling duties under the Alaska Executive Branch Ethics Act. He expressed concern over Mr. Handeland's lack of relevant experience and close partisan ties to the Alaska GOP, which, in their view, compromise his ability to make unbiased and objective decisions. He expressed strong reservations regarding his limited understanding of personnel and ethics issues, which was evident during his confirmation hearing before the House State Affairs Committee last month. He emphasized the significance of the board's powers and their impact on thousands of public officials, employees, and board members, asserting that these responsibilities should be in the hands of individuals with more lived experience in Alaska.

[3:41:27 PM](#)

SENATOR WIELECHOWSKI joined the meeting.

[3:41:37 PM](#)

CHAIR KAWASAKI asked Mr. Handeland to address the comments made regarding his experience. He noted the various organizations listed on Mr. Handeland's website, including the Nome Youth Court, his lifetime membership with the National Rifle Association (NRA), and his involvement with professional boards such as the American Society of Civil Engineers. He requested that he elaborate on his experience and explain how he would approach decision-making in a non-partisan manner.

[3:42:34 PM](#)

CHAIR KAWASAKI closed public testimony on the appointment of Donald Handeland.

[3:42:21 PM](#)

MR. HANDELAND acknowledged the importance of having a variety of experiences and perspectives on the board, especially from different parts of the state. He recognized that while he is younger, he has made significant efforts to remain actively involved. He addressed concerns about his political involvement, noting that his interest in government began at a young age and provided an avenue to help shape state governance. However, in addition to his political activities, he said he has also contributed to public service through his involvement on various boards. He expressed his commitment to considering all perspectives when reaching conclusions in the decision-making process.

[3:44:20 PM](#)

SENATOR CLAMAN asked whether he would be comfortable applying a rule even if he personally disagreed with it. He inquired whether Mr. Handeland would still be willing to follow and enforce a rule that clearly applies, despite not agreeing with its enactment, and whether he would find himself consistently in line with what the rule dictates.

[3:44:54 PM](#)

MR. HANDELAND replied yes, he would be comfortable applying a rule even if he disagreed with it. He emphasized that it is not his role on the board to formulate the rules under the Executive Branch Ethics Act, as that responsibility lies with the legislature. He stressed the importance of applying the rules as written, without personal interpretation, noting that executive branch members are expected to adhere to the rules as they are documented and studied.

[3:45:40 PM](#)

SENATOR CLAMAN referred to a previous situation in which the governor had asked state employees to sign a loyalty pledge, which was later ruled inappropriate by the courts. He asked whether he had any concerns about requiring state employees to sign such loyalty pledges, particularly when dealing with ethics and personnel rules specific to the board.

[3:46:07 PM](#)

MR. HANDELAND acknowledged that the courts struck down the loyalty pledge and confirmed that he understands the ruling. He agreed with the court's decision regarding the appropriateness of such a request.

[3:46:24 PM](#)

SENATOR WIELECHOWSKI thanked him for volunteering his time, acknowledging the personal commitment involved. He asked for Mr. Handeland's thoughts on the new regulations allowing the Attorney General to represent some executive board members. He mentioned that legislative attorneys have expressed concerns that this representation might violate the Executive Branch Ethics Act and requested his perspective on the matter.

[3:46:58 PM](#)

MR. HANDELAND acknowledged that he has encountered various opinions regarding the issue, some of which are contrary to each other. He noted that, as he is not a lawyer, it can be challenging to fully understand the legal complexities involved. He expressed uncertainty about where he would ultimately stand if the matter were to go to court. The outcome would depend on how the court interprets the situation.

[3:47:32 PM](#)

SENATOR WIELECHOWSKI pointed out that Mr. Handeland is listed as a member of Freedom Oregon, a group that advocated for nonpartisan open primaries in Oregon a few years ago. He inquired about his views on the importance of nonpartisan open primaries.

[3:47:54 PM](#)

MR. HANDELAND clarified that his affiliation with Freedom Oregon might be confusing due to a name change. He explained that when he was involved, the group was actually advocating for gay marriage prior to the U.S. Supreme Court case that legalized it, rather than focusing on nonpartisan open primaries.

[3:48:39 PM](#)

CHAIR KAWASAKI solicited a motion.

[3:48:57 PM](#)

SENATOR CLAMAN moved Donald Handeland, appointee to the Personnel Board, be forwarded to a joint session of the legislature for consideration.

[3:49:13 PM](#)

CHAIR KAWASAKI stated that in accordance with AS 39.05.080, the Senate State Affairs Standing Committee reviewed the following and recommends the appointments be forwarded to a joint session for consideration:

Personnel Board

Donald Handeland - Anchorage

Signing the report(s) regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees; the nominations are merely forwarded to the full legislature for confirmation or rejection.

[3:49:37 PM](#)

At ease

SB 201-OFFICE OF INFORMATION TECHNOLOGY

[3:51:16 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 201 "An Act establishing the office of information technology; relating to information technology projects undertaken by state agencies; and providing for an effective date."

[3:51:48 PM](#)

CHAIR KAWASAKI solicited a motion.

[3:51:53 PM](#)

SENATOR MERRICK move to adopt the committee substitute (CS) for SB 201, work draft 33-LS1014\S, as the working document.

[3:52:29 PM](#)

CHAIR KAWASAKI objected for purposes of discussion.

[3:52:37 PM](#)

MATTHEW HARVEY, Staff, Senator James Kaufman, Alaska State Legislature, Juneau, Alaska, presented the summary of changes for SB 201:

[Original punctuation provided.]

Summary of Changes for SB 201 - Bill Version B to S

Page 1, Lines 10-14 and Page 2, Lines 1-16: Adding duties of the office and director that were included in the initial Administrative Order 284 relating to operational duties. These duties include language related to policy and procedure adherence, enterprise architecture, IT security, employment of a Chief Information Security Officer (CISO), and inventory of all computer equipment.

Page 3, Line 11: Adds reference to the new "exemptions" section.

Page 3, Lines 30-31: Adds reference to the new "exemptions" section.

Page 6, Lines 12-31 and Page 7, Lines 1-19: Adds a new section allowing OIT and state agencies to enter into exemption agreements.

Section (a) allows for broad exemption agreements. The agreements must:

- Require the state agency to abide by either OIT's project management and IT processes, those processes with a defined list of variations, or state agency processes defined in the agreement.
- Include a plan for the state agency to fulfill obligations with contractors.
- Allow the state agency to designate a project manager.
- Require the state agency to submit periodic reports to the director including updates to the state agency's biennial information technology plan.

Section (b) allows for project-specific exemption agreements detailing the "what, why, and how" of specific requirements agreed to be waived.

Section (c) provides a process in the case of an unwillingness to sign exemption agreements including justification and an appeal process.

Section (d) requires copies of these agreements to be included in biennial information technology plans and delivered to the legislature.

Page 7, Line 20: Adds reference to the new "exemptions" section.

Page 8, Line 9: Redefines "State Agency" to exclude the Alaska Railroad Corporation, the University of Alaska, and agencies of the judicial or legislative branches of government.

[3:55:04 PM](#)

CHAIR KAWASAKI inquired about the \$5 million exemption, asking for clarification on why that specific amount was chosen. He questioned whether it reflects typical costs or if there is another rationale behind selecting that figure.

[3:55:17 PM](#)

MR. HARVEY referred to SB 201, version B, page 5, line 19 and explained that the \$5 million exemption distinguishes between major and minor information technology projects. He noted that major IT projects fall under the purview of the Office of Information Technology, which has slightly different requirements, while minor IT projects can be managed more closely and independently by the state agency undertaking them.

[3:56:04 PM](#)

CHAIR KAWASAKI removed his objection.

[3:56:35 PM](#)

SENATOR JAMES KAUFMAN, District F, Alaska State Legislature, Juneau, Alaska, expressed gratitude to everyone who contributed to the various changes for SB 201 that provide flexibility while still promoting standardization, which will benefit the state.

CHAIR KAWASAKI solicited the will of the committee.

[3:57:21 PM](#)

SENATOR MERRICK moved to report CSSB 201, work order 33-LS1014\S, from committee with individual recommendations and attached fiscal note(s).

[3:57:43 PM](#)

CHAIR KAWASAKI found no objection and CSSB 201 was reported from the Senate State Affairs Standing Committee.

[3:57:53 PM](#)

At ease

SB 177-AI, DEEPFAKES, CYBERSECURITY, DATA XFERS

[3:59:10 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 177 "An Act relating to artificial intelligence; requiring disclosure of deepfakes in campaign communications; relating to cybersecurity; and relating to data privacy."

[3:59:52 PM](#)

CHAIR KAWASAKI solicited a motion.

[3:59:57 PM](#)

SENATOR MERRICK moved to adopt the committee substitute (CS) for SB 177, work draft 33-LS1061\S, as the working document.

[4:00:09 PM](#)

CHAIR KAWASAKI objected for purposes of discussion.

[4:00:23 PM](#)

STEPHEN KNOUSE, Staff, Senator Hughes, Alaska State Legislature, Juneau, Alaska, presented the summary of changes for SB 177.

[Original punctuation provided.]

**Summary of Changes in State Affairs
Committee Substitute to SB 177
Version B to Version S**

Page 1, lines 1-3: Change of title from "An Act relating to artificial intelligence; requiring disclosure of deepfakes in campaign communications; relating to cybersecurity; and relating to data privacy." to "An Act relating to disclosure of election-related deepfakes; relating to use of artificial intelligence by state agencies; and relating to transfer of data about individuals between state agencies." Cybersecurity fits under the category of use of AI by state agencies.

Page 1, line 5: Section 15.13 is now recoded to Section 15.80.

Page 1, line 6: Recodes section 15.13.093 to be Section 15.80.009

Page 1, lines 6-7: Includes contracted content creator of election-related deepfakes as being required to include a disclosure.

Page 1, line 8-9: Election-related deepfakes which require disclosure statements expand to include propositions, and removes political parties.

Page 1, lines 10-11: Adds "or by another means" to deepfake disclosure to cover content created by any means, not just artificial intelligence.

Page 2, lines 1-6: Sentence referring to communication "that includes audio component" changes to "that consists only of audio", and modifies deepfake disclosure requirements to include placement intervals of disclosure.

Inserts clarifying term "election-related" to references of "communication" pertaining to deepfakes in the following places:

Page 1, lines 7, 10, 11, and 13 - broadcast, cable, satellite, Internet, or other digital communication

Page 2, line 1 - requires the disclosure to remain onscreen throughout the entirety of the communication

Page 2, line 2 - requires the disclosure be read in audio communications at the beginning, end, and at least once every two minutes if the audio communication is longer than two minutes

Page 2, line 8- prohibits a person from removing the disclosure statement from known deepfake materials

Page 2, lines 14, 15, and 17- allows a candidate or proposition group suffering damages to seek injunctive relief

Page 2, line 25- injunctive relief does not apply to paid election-related communication broadcast by a radio, television, cable, or satellite provider if the provider has made a good faith effort that the communication does not contain a deepfake

Page 3, line 15- defines "election-related communication" as communication that directly or indirectly identifies a candidate or proposition and is disseminated to an audience that includes voters who have the opportunity to vote on the candidate or proposition.

Page 2, lines 7-9: Prohibits entities from omitting or removing required deepfake disclosures.

Page 2, lines 10-12: Makes entities violating required disclosures liable to candidate or proposition group for damages suffered by omission of deepfake disclosure, full attorney fees, and costs.

Page 2, lines 13-17: Includes injunctive relief to prohibit dissemination of deepfakes with omitted or removed disclosures.

Page 2, line 19: Makes liability and disclosure exceptions for satire, parody.

Page 2, line 20 - 3, line 2: Makes liability exceptions for traditional and electronic broadcasting, and publications that adhere to the statement requirements applicable to the media form. In the case of paid election-related communications without disclosures, due diligence to confirm communication did not include deepfakes.

Page 2: Re-lettering subsections to accommodate newly inserted changes to Section 1.

Page 3, lines 15-24: Insert definition for "election-related communications," "proposition," and "proposition group."

Inserts term "generative" to specify type of AI (generative vs. rules-based) or data being addressed in the following places:

Page 3, line 28 to exclude rules-based AI from inventory.

Page 4, line 9 to exclude rules-based AI from impact assessments.

Page 5, lines 3, 11, and 12 to exclude rules-based AI in state agency use requirements for consequential decisions and prospective employees hiring videos.

Page 6, line 2 to exclude rules-based AI from regulations where development, procurement, implementation, use and system assessments are concerned regarding consequential decisions.

Page 5, lines 6-7: Expands data collection consent to "from or about" an individual.

Page 5, lines 19-21: Removes specific list of adversarial countries to the United States and permits the department of administration to designate foreign adversaries (as determined by US Department of State - see Page 6, lines 12-13).

Page 5, lines 22-27: Removes use of "multi-factor authentication" and inserts current security and privacy controls as specified by the National Institute of Standards and Technology.

Page 5, lines 28-30: Removes seeking "the individual's consent" for inter-agency data transfers and replaces with "giving notice to the individual".

Page 6, line 24 - Page 7, line 2: Establishes new section AS 44.99.760 for exemptions to the Department of Public Safety in cases of criminal offenses, missing persons, and exigent circumstances as they pertain to inventories, impact assessments, AI use requirements for state agencies, and data transfers between state agencies.

Page 7, line 3: Recodes definition section 44.99.760 to section 44.99.770.

Page 7, lines 4-5: Removes current definition of "artificial intelligence" and inserts new definitions for "artificial intelligence", "generative artificial intelligence", and "rules-based artificial intelligence".

Page 8, lines 1-4: Adds additional types of information that qualify as "sensitive personal data" to include an individual's bank account, social

security number, or other personal identifier issued to an individual by a government or institution.

Page 8, lines 12-15: Insert new section to restrict applicability of the AS 44.99.750 enacted by sec. 2 of the bill to acts or omissions occurring on or after the effective date.

There are no other changes to the bill.

4:06:55 PM

CHAIR KAWASAKI referred to CSSB 177, Section 2, page 5, line 3, lines 11-12, which discuss utilizing rules-based AI in state agencies. He asked for clarification on whether that provision is exempting rules-based AI from certain requirements.

4:07:31 PM

SENATOR HUGHES explained that rules-based AI, which can be as simple as a spreadsheet, has been in use for some time without raising public concern or issues. The focus of SB 177 and similar efforts nationwide is to enhance efficiency, cost-effectiveness and reduce the burden of mundane tasks for state workers while assuring the public of responsible AI use. She noted that while rules-based AI has been in use for some time, they are focused here on generative AI, which is the new emergent technology. Historically, there have been no significant concerns regarding harm to individuals from rules-based AI, which is why it was not a focus of the legislation. However, she noted that the committee could choose to reconsider this aspect if desired.

4:09:10 PM

CHAIR KAWASAKI removed his objection. He found no further objection and CSSB 177 was adopted as the working document.

4:10:00 PM

SENATOR HUGHES highlighted her involvement with the National Conference of State Legislatures Working Group on AI, emphasizing the importance of responsible implementation in state agencies. The compilation of ideas was gathered from various organizations, including the Reason Foundation, Stanford Law School, and Alaska's Department of Information Technology. She expressed the need to address political deep fakes, especially in the context of the 2024 elections, advocating for transparency without infringing on freedom of speech. The initial draft for SB 177 was a starting point, with room for adjustments based on feedback and listed a number of

organizations and groups whose input has been heard and incorporated as well as activity in the House. The distinction between rules-based and generative AI was underscored, along with the necessity to address ballot propositions within the legislation. She acknowledged ongoing work to ensure technological neutrality, noting the difference between and AI deep fake and work that has been done simply by someone skilled in Photoshop, protection of individuals' information, and the right to sue the state for consequential harm. he noted further work is needed on the issues of potential litigation, which would suit the Judiciary Committee.

[4:17:03 PM](#)

SENATOR MERRICK mentioned the importance of SB 177. She asked how the determination of satire or parody would be made and inquired about the enforcement mechanisms for the proposed legislation.

[4:17:18 PM](#)

SENATOR HUGHES noted that issues regarding satire or parody would likely be brought to the attention of the Alaska Public Offices Commission, as the proposal falls under a section of law related to them. She mentioned that a definition for satire and parody is not included in the bill because courts typically rely on a general understanding. She expressed openness to including a definition if necessary, emphasizing that it usually hinges on what a reasonable person would perceive as satire or comedy.

[4:18:05 PM](#)

CHAIR KAWASAKI inquired about the new draft regarding deep fakes, specifically addressing their use in advertisements across various media platforms, including the internet. He raised concerns about the ability to create entirely artificial personas for promotional purposes, suggesting that these could be designed to convey positive messages about individuals or products. He questioned whether the legislation would require disclosures indicating that such representations are not based on real people, similar to disclaimers often seen in advertisements, such as "five out of six doctors prefer this medicine." He sought clarification on whether this kind of disclosure was part of the envisioned framework in the bill.

[4:19:32 PM](#)

SENATOR HUGHES clarified that, as currently written, the definition would only apply if a deep fake made a real person appear to say or do something they did not actually say or do, or if it gives a misleading impression of an individual. She

stated that the example Chair Kawasaki provided regarding entirely artificial personas would not be covered under this definition, indicating the need for an addition to the bill. SB 177 was originally designed to be neutral. However, she recognized that candidates could create deep fakes that could either harm their opponents or enhance their own images, such as falsely claiming awards. While the previous version of the bill focused solely on injurious deep fakes directed at opponents, the new version allows for both positive and negative portrayals. However, she noted that if a completely fabricated persona were given a name, it might then fall under the existing definition. Conversely, a generic deep fake featuring a group of manufactured individuals expressing support would likely not be included under the bill.

[4:21:06 PM](#)

SENATOR BJORKMAN inquired about the concerns raised by the Alaska Broadcasters Association regarding potential liability for broadcasters airing commercials or stories containing deep fakes. He requested clarification on the aspects of the bill that provide protection to broadcasters, news agencies, and others disseminating information to the public, ensuring they are safeguarded against lawsuits or misleading information from bad actors.

[4:21:56 PM](#)

SENATOR HUGHES highlighted Sec. 15.80.009(e) of CSSB 177, which addresses concerns raised by the Alaska Broadcasters Association regarding potential liability when airing commercials or stories containing deep fakes. The intent is to hold the creator of the deep fakes responsible, not the broadcasters or other platforms. Newscasts may report on a deep fake and show it, but they must include a disclosure regarding the authenticity of the content. The responsibility ultimately lies with the creator of the deep fake. For example, if a candidate hires a marketing company to produce campaign materials, the candidate is responsible for ensuring the proper disclosures are made, such as the "paid for by" information. However, if a candidate specifically requests a marketing company to create a deep fake, knowing it will mislead voters, both the candidate and the marketing company would be held accountable. The marketing company would also need to include a disclosure, which would have legal implications. In summary, the bill aims to ensure that the responsibility for creating misleading deep fakes falls on the individuals or entities that produce them, protecting broadcasters and platforms from liability.

[4:24:18 PM](#)

CHAIR KAWASAKI held SB 177 in committee.

[4:24:52 PM](#)

At ease

SB 262-ARTIFICIAL INTELLIGENCE TASK FORCE

[4:25:54 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 262 "An Act relating to the state Artificial Intelligence Task Force; and providing for an effective date."

[4:26:50 PM](#)

GRIFFEN SUKKAEW, Staff, Senator Scott Kawasaki, Alaska State Legislature, Juneau, Alaska, presented the sponsor statement for SB 262:

[Original punctuation provided.]

**Sponsor Statement
SB 262**

"An Act relating to the state Artificial Intelligence Task Force; and providing for an effective date."

Artificial Intelligence (AI) is a booming industry. With advancements becoming more rapid and accessible, it is important that the State of Alaska keeps up.

In December of 2023, 17 states had enacted 29 bills focusing on the development and use of AI since 2019. As of February 2024, that number had grown to 32 states, some with numerous bills on regulating and monitoring AI.

Texas passed HB 2060 during their 88th Legislative Session. This bill, like many others, ensures the design, development and use of AI is informed by collaborative dialogue with stakeholders from a variety of disciplines. To accomplish this goal, Texas created an AI Advisory Council consisting of public and elected officials, academics and technological experts. The council was tasked with studying and monitoring AI systems developed or deployed by states agencies as well as issuing policy recommendations

regarding data privacy and preventing algorithmic discrimination.

SB 262 aims to create a Task Force that investigates the field of Artificial Intelligence. This Task Force is a way to ensure that the State of Alaska is on top of this developing technology and can recommend changes to law. An annual report will be presented to both bodies of the legislature with a summary of developments within the state, risks and benefits of AI and recommendations on how the state should regulate this ever-evolving technology.

By passing SB 262, the State of Alaska will be more in tune and able to deal with this new and evolving technology. I look forward to discussing this issue with the committee.

[4:29:27 PM](#)

CHAIR KAWASAKI opened public and invited testimony on SB 262.

[4:29:53 PM](#)

DAVID EDMONSON, Senior Vice President, TechNet, Austin, Texas, said that TechNet is the national bipartisan network of technology CEOs and senior executives promoting economic growth through a targeted policy agenda at both state and federal levels. TechNet has 91 members, representing dynamic American businesses from startups to major global companies, encompassing over 4.4 million employees across sectors such as artificial intelligence, e-commerce, sharing economies, transportation, venture capital, and finance. AI has the potential to address significant challenges in healthcare, agriculture, education, transportation, energy, and national security. With decades of safe and responsible AI usage, including traffic navigation and enhancing research, transparency, and fairness guided by ethics could ensure that responsible AI would lead to a prosperous and sustainable future. Given the genuine risks associated with AI, collaboration with experts is important in developing regulations that address specific consumer harms without hindering innovation. Getting AI legislation right is critical for economic success. He said he supports the AI task force model proposed in the bill, which balances input from industry, government, and civil society. He proposed amending the definition of AI to align with the Organization for Economic Cooperation and Development's (OECD) updated definition from November 2023. Nationwide, over 35 public hearings and 70 bills introduced on AI policy at the federal level. He noted Senate

Majority Schumer's nine AI forums for expert education and the House's new bipartisan AI Task Force for private and public forums. He referenced President Biden's executive order on the safe, secure, and trustworthy development and use of AI, outlining 150 responsibilities for the administration. At the state level, there has been a surge in AI-related legislation focusing on misinformation in election advertising and deep fake imagery. Several states have created or are considering AI task forces, with bipartisan support for legislation. Texas passed a bill for an Artificial Intelligence Advisory Council focused on state agency use of AI, while Connecticut established an AI and government working group that released a comprehensive report. Florida created a Government Technology Modernization Council to study and monitor new technologies, and governors in Washington and Oregon recently signed bills to establish AI task forces. This approach transcends partisan lines, allowing legislators to collaborate with experts to navigate the emerging policy landscape of AI.

[4:34:49 PM](#)

CHAIR KAWASAKI inquired about the pace of deep fake legislation and whether a bill passed today would become outdated by tomorrow. He wondered how various states are addressing this issue.

[4:35:19 PM](#)

MR. EDMONSON stated that a technology-agnostic approach is crucial in addressing the use of deep fakes, particularly in elections. Instead of defining the means by which deceptive acts occur, he suggested that the focus should be on the end result being perceived as problematic. He referenced Georgia's bill, HB 986, which defines problematic content as materially deceptive media, encompassing video, audio, or images that appear to depict a real individual doing something that did not happen but seems authentic to a reasonable observer. He emphasized the need for disclosures in such instances and acknowledged concerns raised by local groups regarding potential liability for broadcasters. From the industry's perspective, he indicated that liability should rest solely on the bad actor creating and distributing the false content with the intent to mislead, rather than on intermediaries like internet service providers or cloud providers who may unknowingly host the material. This approach emphasizes targeting the act itself rather than the specific technology used to perpetrate it.

[4:37:54 PM](#)

CHAIR KAWASAKI inquired about the composition of Alaska's AI task force and whether there are other individuals or groups involved in similar task forces across the country. Alaska's AI task force was constructed with representation from the Department of Commerce, a nonpartisan statewide nonprofit protecting individual liberties, and organized labor. He pointed out that this task force is smaller and more focused than many others and asked if there are additional types of representatives that could enhance the task force's effectiveness, considering the current membership appears to include around ten members.

[4:38:45 PM](#)

MR. EDMONSON stated that SB 262 has struck a nice balance in its composition. He noted that it is challenging to assess the effectiveness of task forces, as many have been established recently, either through executive action or legislation, and are just beginning their work. In comparison to other states, SB 262 effectively combines expertise, state government use, and civil society representation. He suggested that a size of around ten members is appropriate, as larger groups can become overly cumbersome and hinder productive discussions, citing that 30-member task forces may struggle to be effective.

[4:40:12 PM](#)

CHAIR KAWASAKI closed public [and invited] testimony on SB 262.

[4:41:23 PM](#)

CHAIR KAWASAKI held SB 262 in committee.

[4:41:48 PM](#)

There being no further business to come before the committee, Chair Kawasaki adjourned the Senate State Affairs Standing Committee meeting at 4:41 p.m.