STATE AI POLICY TOOLKIT

STATES 250 ALEC

ABOUT THE AMERICAN LEGISLATIVE EXCHANGE COUNCIL

The ALEC 2026 State AI Policy Toolkit was published by the American Legislative Exchange Council (ALEC) as part of its mission to increase individual liberty, prosperity, and the well-being of all Americans by advancing and promoting the principles of limited government, free markets, and federalism.

ALEC is the nation's largest nonpartisan, voluntary membership organization of state legislators, with more than 2,000 members across the nation. ALEC is governed by a Board of Directors of state legislators and is classified by the Internal Revenue Service as a 501(c)(3) nonprofit, public policy and educational organization. Individuals, philanthropic foundations, businesses and associations are eligible to support the work of ALEC through tax-deductible gifts.'
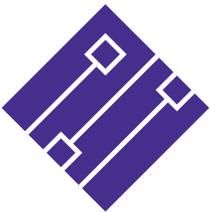
The mission of the ALEC Center for Innovation and Technology is to provide state lawmakers with guides, data, research, and a structure to imagine and create a plan of action for how innovation could benefit their states. Solving real problems with relevant solutions is the key to any successful public policy agenda. To that end, the Center for Innovation and Technology considers current and potential state policy seeking breakout solutions. The Center is a resource to assist state lawmakers in positioning their state to be an innovation leader today and for the future.

Members of the ALEC Communications and Technology Task Force believe that constant, dynamic innovation in telecommunications and emerging technology presents numerous complexities that defy traditional public policy prescriptions. To help policymakers understand the changes underway in the 21ˢᵗ-century economy, the Task Force brings together state legislators, private industry, and policy experts to develop public policies that promote economic growth, freedom of technology, and innovation in the states. Areas of focus for the Task Force include: 1) Broadband deployment and adoption; 2) Protecting consumer choice in privacy; 3) Promoting new forms of e-commerce; and 4) Growing the high-tech sector of the economy.

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ACKNOWLEDGEMENTS AND DISCLAIMERS

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INTRODUCTION

As our nation reflects on our upcoming Semiquincentennial, American innovation in the technology and telecommunications domain should be commemorated from coast to coast throughout the celebration of America's 250th birthday. American geniuses brought us the telephone, semiconductors, GPS, both the personal computer and the modern smartphone, and, of course, the foundation for the modern internet as we know it. Therefore, it is fitting that the American tech innovation story continues in 2026, the year of America250, as artificial intelligence (AI) and advanced computing, process automation, robotics, and autonomous vehicles take center stage.

Recent breakthroughs in artificial intelligence and machine learning, led by American companies like Google, Microsoft, Meta, and OpenAI, are already ushering in a new era of digital transformation in sectors such as health care, education, financial services, human resources, digital marketing, software development and IT, customer service, and many more. A 2023 market analysis conducted by the McKinsey Global Institute found that generative AI has the potential to generate value as high as $4.4 trillion in global corporate profits across the economy due to enhanced productivity, improved analytics, empowering the workforce, and augmenting workers with new digital tools to complete tasks faster and more efficiently.

In addition to revolutionizing business and everyday life, AI could dramatically improve the work of government. Agencies can now leverage AI tools to serve more constituents with fewer resources and resolve casework more accurately, reducing the footprint of government while maximizing productivity. Some states are even using agentic AI to assist with regulatory reform, eliminating excessive or duplicative state regulations, and flagging redundancies or contradictions in state code. For instance, former Virginia Gov. Glenn Youngkin commissioned an "AI-powered regulatory review" to reduce unnecessary and burdensome regulations and improve civic engagement and awareness of the Commonwealth's activities. Strategically modernizing government IT in this way will improve employee efficiency, save taxpayer dollars on system maintenance, and reduce processing times for constituent service.
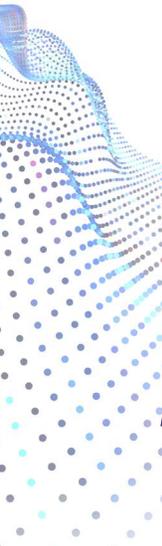
"Striking the proper balance between AI pessimism and AI utopianism is the critical task for lawmakers in 2026 and beyond."

There is simply no overstating it: AI is the dominant technology issue driving the state-level policy conversation in the United States. Policymakers across every level of government, from local school boards to the halls of Congress and the White House, have taken notice as new AI tools are integrated into the daily lives of American families and businesses.

Now, three years since ChatGPT's public release in November 2022, much of the initial generative AI hype cycle has subsided, and Members of Congress, state legislators, and international governments are actively determining what—if anything—the regulatory response should be as technologists continue developing and testing novel uses of AI in the marketplace.

Public sentiment around the development and proliferation of generative AI has been mixed. In a recent global study conducted by Stanford University's Institute for Human-Centered Artificial Intelligence, two-thirds of respondents now believe that AI-powered services will "significantly impact daily life within the next three to five years," but there remains "growing public anxiety about AI." Importantly, although 60% of respondents believe AI will change their jobs in the next five years, only a one-third minority believes AI will replace their jobs entirely in that same time frame.

Unfortunately, in response to this anxiety, some advocates have called for the swift adoption of strict government controls and restrictions on the development and use of AI technology in the name of trust and safety. Such proposals include a mandatory licensing regime for AI large language model (LLM) developers and operators; installing a tiered system of high-, medium-, and low-risk uses of AI with mandatory audits and risk assessments; heavily regulating the use of AI to make so-called "consequential decisions" in protected sectors such as health care, education, labor, and insurance; and, at the extreme end of the spectrum, banning advanced AI entirely in certain sectors or calling for a moratorium on future AI research.

Striking the proper balance between AI pessimism and AI utopianism is the critical task for lawmakers in 2026 and beyond. As the scholar and economist Thomas Sowell famously put it: "There are no solutions, only trade-offs." Overly broad general regulations and restrictions on AI will only serve to tie up America's vibrant software industry in regulatory red tape, increase the barrier to entry for new companies hoping to compete in the AI marketplace, and seal off many of AI's promising societal benefits before they can ever be fully realized.

By affirming a light-touch approach to AI regulation, state legislators have an opportunity to solidify the legacy of the United States as the global leader in the responsible development and implementation of emerging technologies. U.S. regulators risk jeopardizing AI's maximum potential and benefits to consumers by stifling this technology in its infancy with inflexible, burdensome regulations.

To help policymakers navigate the balance between AI pessimism and utopianism, the American Legislative Exchange Council is proud to present our new research publication, the *2026 State AI Policy Toolkit*. The *Toolkit* provides legislative leaders with trusted, proven, nonpartisan recommendations and policy solutions to seize the AI moment for their jurisdictions. Produced by ALEC's Center for Innovation and Technology, the *Toolkit* provides a quantitative and qualitative review of state and federal AI legislative activity from 2023-2025, as well as seven specific model public policies that any state legislator, business leader, or concerned citizen can pick up today to improve economic opportunity for your region, protect consumers and kids from proven risks and threats associated with AI, and remove obsolete or burdensome regulations impeding AI adoption and no longer serving state residents well in this moment of transition.

These model policies were developed and vetted by members of ALEC's Communications and Technology Task Force, and many states across the country have already enacted or proposed similar legislation. All of the model policies contained within this publication are featured in ALEC's *Essential Policy Solutions for 2026*, a compilation of ALEC's leading ideas to help empower states and shape America's future through principled policy. You will also find several state case studies throughout the *Toolkit* that supplement each model policy fact sheet.

As Congress and the states enact more legislation targeting the AI industry and the businesses and communities that rely on the technology, subsequent editions of the Toolkit will provide additional data analysis, state-by-state rankings, and evaluation of each state's holistic regulatory environment and outlook for emerging tech and AI innovation.

HOW TO USHER IN A GOLDEN AGE OF AI INNOVATION

Throughout the *Toolkit*, you will find helpful examples of ALEC's proven, pro-innovation approach to responsible AI governance. These enduring principles of limited government, free markets, and federalism, combined with our common-sense model policies, will help your state excel as a leader in emerging tech and AI innovation.

Policymakers should keep in mind that, at its core, artificial intelligence is a tool that works to augment humans for the better, not replace them entirely. Today's AI tools and software are not alive, nor are they sentient or so-called artificial general intelligence (AGI). AI has come a long way in recent decades—especially in the past three years—but the technology still makes mistakes and often "hallucinates" data presented as factual information. Internet users have bemoaned the prevalence of so-called "AI slop" on social media and digital content channels. Continued human oversight and direction will remain essential for the foreseeable future.

To preserve the positive economic and societal benefits of AI while mitigating the risks for harm, it is critical that lawmakers avoid overly strict regulations on the technology of artificial intelligence itself in this relatively early phase of the product lifecycle. Instead, states should welcome private sector entrepreneurs to experiment and pioneer the next wave of technological marvels, allowing consumers and the marketplace to decide which products are winners, not government regulators. To that end, ALEC's model Right to Compute Act protects individual liberties and limits government overreach by requiring such state laws and government actions to be demonstrably necessary and narrowly tailored to fulfill a compelling government interest.

In many cases, the federal government, states, and localities already have sufficient laws on the books designed to address issues such as fraud or discrimination in a technology-neutral way. Existing state agencies and the judicial system are often already equipped to adjudicate AI-related disputes. Therefore, it is preferable for legislators to leverage or modernize existing laws to address concerns with AI instead of enacting duplicative statutes or brand-new regulatory agencies that expand the reach of government. ALEC's model Technology-Neutral Anti-Discrimination Clarification Act reaffirms that discriminatory conduct prohibited by state and federal laws remains unlawful regardless of the tools used – whether the conduct is perpetuated by AI, machine learning, or other emerging technologies yet to be invented.

"Artificial intelligence is a tool that works to augment humans for the better, not replace them entirely."

Where it is absolutely necessary for government to step in, regulation should be narrowly tailored and focused on specific harmful conduct, not the underlying technology itself. ALEC's two model policies addressing concerns with AI deepfake media, the Stop

Deepfake CSAM Act and the Stop Non-Consensual Distribution of Intimate Deepfake Media Act, are examples of prescriptive solutions designed to combat a tangible, real-world problem—in this case, the criminal possession and distribution of child sexual abuse material (CSAM) and unlawful non-consensual intimate deepfakes, often known as "revenge pornography." Both model policies reaffirm the original intent of legislators and bolster existing statutes already in effect to criminalize the possession and distribution of CSAM and target unlawful non-consensual intimate deepfakes. This simple, surgical model language modernizes existing laws to account for the reality of our AI world without granting more power than necessary to government agencies.

Finally, lawmakers should take care to ground any regulatory proposals in the facts instead of relying on hypothetical fears or science-fiction narratives to determine their state's future. States can follow the framework envisioned in ALEC's Model State Artificial Intelligence Act, which bolsters a state's in-house resources to make informed decisions through an advisory Office of Artificial Intelligence Policy and an Artificial Intelligence Learning Laboratory Program.

This Toolkit is divided into three simple steps:

- **STEP 1:** Make Your State the Hub for Emerging Technology Innovation

- **STEP 2:** Protect Kids and Consumers from Tangible Threats

- **STEP 3:** Build State Government Expertise on AI and Remove Regulatory Barriers

Within each section, you will find ALEC model policy fact sheets you can use as individual guides to help policymakers, private industry, and more stakeholders advance these ideas across the nation. As you review these model policies and case studies, please do not hesitate to reach out to our team of policy experts through the ALEC Policy Help Desk if we can ever be of assistance.

BY THE NUMBERS: A STAGGERING AMOUNT OF STATE LEGISLATIVE AI ACTIVITY

During the 2023 state legislative session—the first full legislative cycle since ChatGPT's launch and generative AI became a lightning rod of conversation in state capitals—ALEC found that state legislators introduced around 130 bills focused on artificial intelligence across 23 states. Our analysis counted state legislation that was primarily focused on regulating or studying advanced AI, especially generative AI, as well as related terms such as "algorithm," "automated decision-making," and "deepfakes" or "synthetic content." At least 20 of the 130 state AI bills introduced in 2023 ultimately became law, according to a report published by the University of North Carolina at Chapel Hill's Center for Technology Policy.

In 2024, ALEC found that state legislators introduced an astounding 600+ unique bills on artificial intelligence across at least 45 states—nearly 100 of which were enacted, according to a review conducted by Multistate.ai. In 2025, well over 1000 bills were introduced across all 50 states, although fewer than 15% of those AI proposals (approximately 118 bills in total) ultimately became law.

Determining the exact number of "AI bills" depends on how the term "artificial intelligence" is defined, which can be difficult given the intrinsic role of algorithms, process automation, and machine learning in modern computing and everyday software products. For this reason, AI often intersects with related tech policy discussions on consumer data privacy, youth online safety, online content moderation, and much more. No matter how it is defined, one fact is clear: the introduction of AI legislation has surged across state capitals from 2023 to 2025. All state lawmakers should embrace the ALEC approach to AI governance, supporting private sector innovation while providing for common-sense consumer protection within existing legal frameworks.
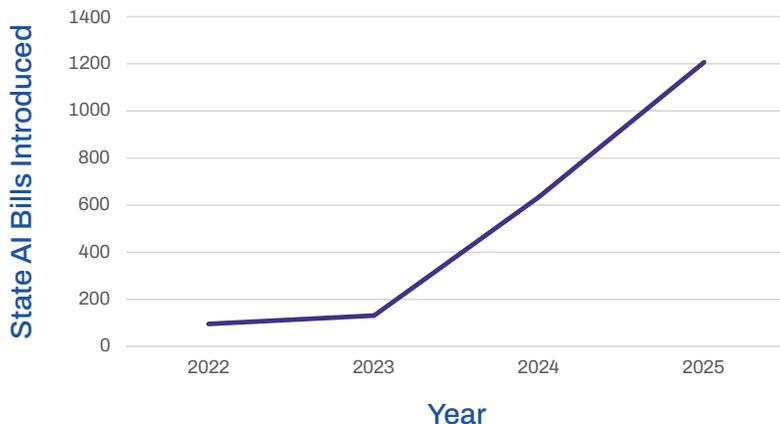
> "In 2025, well over 1000 AI bills were introduced across all 50 states, although fewer than 15% ultimately became law."

Sources: American Legislative Exchange Council, Politico Pro bill tracking, MultiState.ai, and the UNC Chapel Hill Center for Technology Policy.

A NOTE ON FEDERAL AI POLICY

Although the federal government has not enacted any general or comprehensive laws regulating AI by the time this Toolkit was published, the latest breakthroughs in generative AI and its underlying large language models have been top of mind for Members of Congress, the President, and federal agency officials.

Federal lawmakers spent the 118th Congress laying the groundwork for potential national legislation regulating AI. An ALEC analysis of 2023 U.S. House and U.S. Senate committee activity found that 17 committees held a combined 41 Congressional hearings in 2023 focused primarily on artificial intelligence, amassing reams of testimony on the potential risks and benefits of AI. In a parallel effort to the traditional committee process, then-Senate Majority Leader Chuck Schumer proposed his own SAFE Innovation Framework and hosted nine "AI Insight Forums" in 2023 to inform a legislative response to this "world-altering moment," as Sen. Schumer described it.
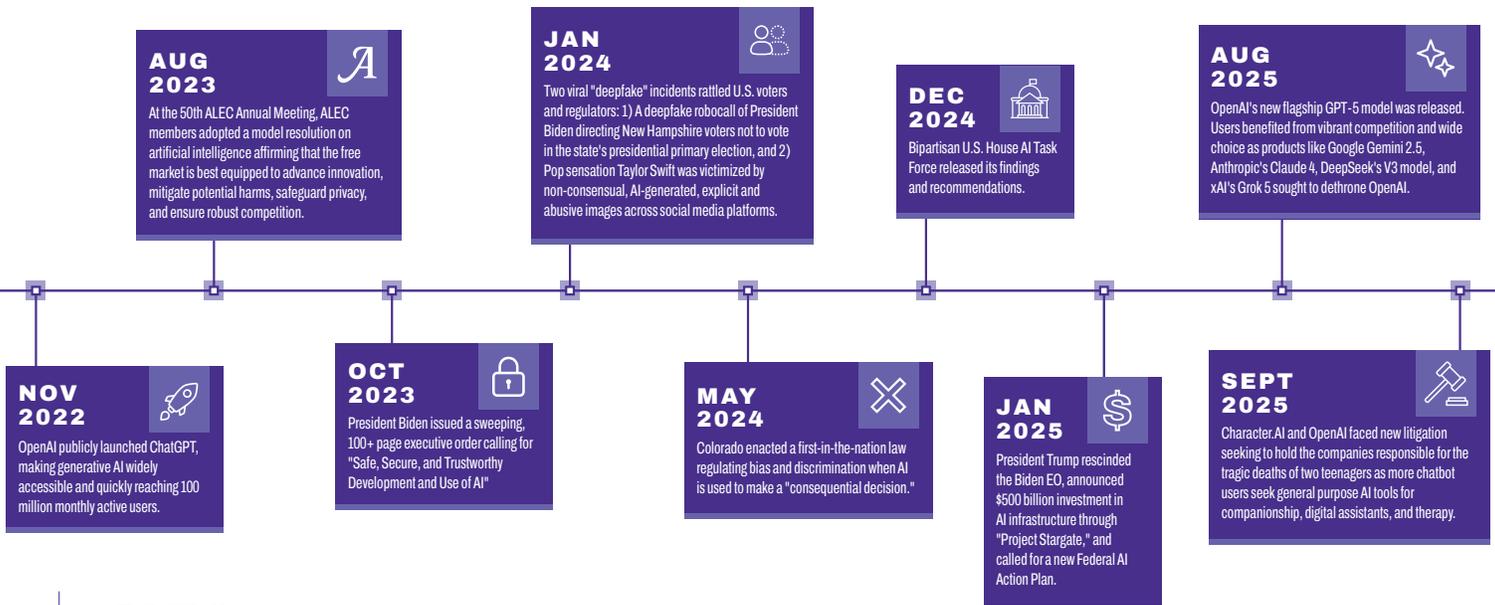
Meanwhile, Members of the U.S. House of Representatives formed a bipartisan Task Force on Artificial Intelligence that produced a comprehensive report in December 2024. The report's findings included high-level guiding principles, as well as extensive policy recommendations, positing how Congress might pursue responsible AI regulation in the future.

In the Executive Branch, President Joe Biden enacted a massive Executive Order in late 2023 on the "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence." This sweeping regulatory effort followed previous White House actions to propose an AI Bill of Rights and convene top AI company leaders to discuss risks posed by AI. Numerous federal regulators across the government, including the National Telecommunications and Information Administration (NTIA) and the Federal Trade Commission (FTC), used the rulemaking process and enforcement actions to make their mark on AI policy.

Upon returning to the White House, President Donald Trump promptly rescinded the Biden EO on his first day in office. President Trump's Office of Science and Technology Policy instead released a Federal AI Action Plan that prioritizes accelerating AI innovation, removing burdensome regulations, and increasing private sector investment in American critical energy and data center infrastructure. The Trump Administration has largely reframed American AI policy as not only an economic issue, but a national security and diplomatic concern, as American rivals and adversaries seek to displace its lead in the "global AI race."

Congress also vigorously debated how the hundreds of new state and local laws regulating AI are impacting such nationwide policy objectives, and to what extent federal law should preempt the growing 50-state patchwork. Although one state preemption proposal failed to advance within the One Big Beautiful Bill reconciliation package in summer 2025, President Trump signed a new Executive Order in December 2025 titled, "Ensuring a National Policy Framework for Artificial Intelligence," that seeks to "forbid state laws that conflict with [federal policy]," such as Colorado's law to combat supposed algorithmic discrimination and bias in AI models. The December 2025 EO also directs the Department of Justice to create an AI Litigation Task Force to challenge problematic state AI laws in the court system on interstate commerce or federal preemption grounds.

RECENT MILESTONES IN THE AI ERA

AUG 2023
At the 50th ALEC Annual Meeting, ALEC members adopted a model resolution on artificial intelligence affirming that the free market is best equipped to advance innovation, mitigate potential harms, safeguard privacy, and ensure robust competition.

JAN 2024
Two viral "deepfake" incidents rattled U.S. voters and regulators: 1) A deepfake robocall of President Biden directing New Hampshire voters not to vote in the state's presidential primary election, and 2) Pop sensation Taylor Swift was victimized by non-consensual, AI-generated, explicit and abusive images across social media platforms.

DEC 2024
Bipartisan U.S. House AI Task Force released its findings and recommendations.

AUG 2025
OpenAI's new flagship GPT-5 model was released. Users benefited from vibrant competition and wide choice as products like Google Gemini 2.5, Anthropic's Claude 4, DeepSeek's V3 model, and xAI's Grok 5 sought to dethrone OpenAI.

NOV 2022
OpenAI publicly launched ChatGPT, making generative AI widely accessible and quickly reaching 100 million monthly active users.

OCT 2023
President Biden issued a sweeping, 100+ page executive order calling for "Safe, Secure, and Trustworthy Development and Use of AI"

MAY 2024
Colorado enacted a first-in-the-nation law regulating bias and discrimination when AI is used to make a "consequential decision."

JAN 2025
President Trump rescinded the Biden EO, announced $500 billion investment in AI infrastructure through "Project Stargate," and called for a new Federal AI Action Plan.

SEPT 2025
Character.AI and OpenAI faced new litigation seeking to hold the companies responsible for the tragic deaths of two teenagers as more chatbot users seek general purpose AI tools for companionship, digital assistants, and therapy.

STEP 1:

Make Your State the Hub for Emerging AI Innovation

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Right to Compute Act

Core Summary

The Right to Compute Act codifies an inherent right of citizens to own and make use of private computational resources for lawful purposes. The model policy includes detailed definitions of "computational resources" and "compelling government interest" to aid states in enshrining their own Right to Compute in law.

State Case Study

Montana SB 212 (2025). The Treasure State pioneered a bold new approach to AI regulation when Gov. Greg Gianforte signed the Montana Right to Compute Act into law, which helped inspire ALEC's model Right to Compute Act. Instead of pursuing misguided prohibitions or restrictions on the public's use of AI technology, Montana flipped the conversation on its head by recognizing in state law that Montanans have a fundamental right to own and make use of technological tools. Therefore, any regulation that would infringe on the lawful use of AI and emerging technologies must now be justified by the government and proven to be demonstrably necessary and narrowly tailored to fulfill a compelling government interest. New Hampshire considered similar legislation in the form of a state constitutional amendment.

HOW THIS POLICY COULD HELP YOUR STATE:

ALEC's model Right to Compute recognizes the fundamental right of your state's citizens to privately own or make use of computational resources for lawful purposes. Any government restriction on the lawful use of technology must be narrowly tailored and fulfill a compelling government interest. Whether it is novel artificial intelligence tools, cloud computing, data centers, digital assets, or a future technological innovation, the Right to Compute puts the onus on government to prove why new regulations limiting otherwise lawful use of technology are necessary.

This approach to technology regulation preserves individual liberties and limits government overreach by requiring government agencies to focus on tangible, proven threats that may arise from the proliferation of new technologies, not limiting protected fundamental rights. For instance, government can and should protect citizens from clearly illegal and harmful activity, including fraud, scams, protecting individuals and minors from harmful synthetic deepfake content, and ensuring critical infrastructure facilities have a risk management policy in place.

However, do not misinterpret the Right to Compute as a blank check for technology companies or bad actors to get away with harmful or illegal conduct. Our model policy clarifies that a compelling government interest includes legislative and regulatory efforts to combat scams and fraud; protecting adults and minors from harm caused by deceptive deepfakes and other synthetic content; monitoring the risk management practices in place at your state's critical infrastructure facilities; and addressing common law nuisances created by physical data center infrastructure.

Artificial Intelligence Tax Non-Discrimination Act

Core Summary

To prevent states from unfairly targeting AI-powered services, algorithms, data centers, and related digital tools, this model policy expressly prohibits discriminatory state tax measures that single out the AI industry for unique treatment in the tax code and calls on Congress to similarly prohibit the imposition of discriminatory taxes at the federal level. This model policy does not prevent a state from taxing AI companies or products per se, but it does require any taxes to remain neutral, technology-agnostic, and avoid singling out one industry segment in favor of another.

State Case Study

New York A8179 (2023) – The Robot Tax Act. Unfortunately, some states and progressive activists are attempting to install new discriminatory taxes that punish businesses for implementing technology that could replace human labor. For example, one such proposal was filed in the State of New York in 2023 that would have imposed a tax surcharge on corporations that use "machinery, artificial intelligence algorithms, or computer applications" to displace an employee whose position was replaced.

HOW THIS POLICY COULD HELP YOUR STATE:

Artificial intelligence and automated decision technologies are significant drivers of innovation and growth throughout the American economy. However, discriminatory taxes on AI products and services levied by federal, state, and local governments would distort the market, stifle innovation, and undermine American competitiveness. Tax policy must remain neutral toward the mode of delivery or technological implementation of services.

ALEC's Artificial Intelligence Tax Non-Discrimination Act establishes concise definitions of "discriminatory tax" and related terms as they pertain to AI products and services and provides findings about the harm discriminatory taxes have on a free market, disincentivizing innovation and reducing competitiveness.

The model policy also lists five specific categories of discriminatory AI taxes that should be avoided:

1. Taxes on computing power used to develop, train, or operate AI systems;

2. Taxes on AI products or services that are accessed exclusively through remote means (unless such a tax applies equally to all software or digital services);

3. Additional bespoke taxes on a subscription to an AI service beyond the standard tax that would be applied to comparable software-as-a-service or digital content subscriptions;

4. Differential tax treatment on income derived from the development, sale, licensing, or provision of AI services;

5. AI services shall not be treated as telecommunications services for the purposes of taxation (unless such a classification is extended to all software or digital services providing a similar function.

STEP 2:

Protect Kids and Consumers from Tangible Threats

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Technology-Neutral Anti-Discrimination Clarification Act

Core Summary

In many cases, existing federal and state anti-discrimination and civil rights laws are already sufficient to address discrimination based on protected classes or characteristics. This ALEC model policy reaffirms in state law that illegal discrimination is still illegal, no matter which technology may have been used.

State Case Study

Colorado SB25B-008 (2025 Extraordinary Session). Colorado has the unfortunate distinction of being among the first states in the country to enshrine heavy-handed regulations on the developers and deployers of advanced AI tools into state law. SB24-205 was designed to protect consumers from purported algorithmic discrimination tied to the use of "high-risk" AI tools. Gov. Jared Polis may have ultimately signed the bill, but in his signing statement, he expressed serious "concerns about the impact [SB24-205] may have on an industry that is fueling critical technological advancements across our state for consumers and enterprises alike." Now, as the new law's effective date draws near, Colorado legislators are scrambling to fix the mess they created as businesses, universities, and other organizations realize the immense regulatory compliance burden. Fortunately, one proposed solution mirrors ALEC's model policy by clarifying that Colorado's existing bans on discrimination apply equally, no matter what digital or technological tools are used to carry out discriminatory conduct. Unlawful conduct is still unlawful, and even former Federal Trade Commission Chair Lina Khan observed that "novel tools are not exempt from existing rules."

HOW THIS POLICY COULD HELP YOUR STATE:

One common fear raised as our economy continues to adopt AI tools and automated decision systems is whether an AI system could be biased or even maliciously discriminate against protected classes in its output. What might the solution be to prevent an AI system from discriminating? In many states, the proposed remedy is to place a new regulatory compliance burden at each level of the AI supply chain, from the developers of a "high-risk" AI tool (e.g., OpenAI, Google, Microsoft, Anthropic), to the distributors of the AI tool (e.g., a software vendor), and even to the final deployers of the AI tool—the many businesses and individuals using AI tools in the real world to problem-solve and assist with daily life.

If an AI tool will be used to make so-called "consequential decisions" in certain protected categories, then new regulations and reporting requirements will kick in. This means businesses and smaller upstart firms using AI tools across the economy would be forced to divert capital and resources to comply with these new mandatory risk assessments and attest that their models cannot result in unlawful discrimination. This approach risks inadvertently squeezing out new competitors from the marketplace to challenge large "Big Tech" incumbents, having an especially negative effect on what the venture capital firm Andreesen Horowitz describes as "Little Tech."

Instead, states can allay the public's fears of discriminatory or biased AI by focusing on the harmful conduct and bad actors responsible for unlawful discrimination, not the underlying tools used. ALEC's model legislation eliminates any doubt that unlawful discriminatory conduct perpetuated with the help of digital technologies, software, automation, AI, or future innovations remains unlawful, and no legal immunity is conferred when AI tools or another technology are used.

Stop Deepfake CSAM Act

Scan for ALEC
Resources

Stop Non-Consensual Distribution of Intimate Deepfake Media Act

Scan for ALEC
Resources

Core Summary

These model policies are prescriptive fixes to your state's existing CSAM and revenge pornography laws to account for the abuse of AI and digital tools by malign actors to hold criminals accountable for the possession or distribution of child sexual abuse material (CSAM) and the unlawful dissemination of non-consensual intimate images (NCII) that were digitally altered or manipulated.

State Case Study

Virginia HB2678 (2019) and SB731 (2024). The use of AI image, video, and audio generation tools to perpetuate CSAM and sextortion is a growing problem vexing policymakers and law enforcement. The nonprofit Thorn found in a recent survey of 1,200 young people aged 13-20 that an alarming 20% of teens reported having a lived experience with sextortion, and technology often plays a role. The Commonwealth of Virginia was among the first states to directly address AI-generated content in its revenge pornography statute back in 2019, and the Commonwealth followed up in 2024 with legislation amending the definition of "child pornography" to account for deepfake media. President Trump signed the federal TAKE IT DOWN Act in May 2025, a priority of First Lady Melania Trump, that criminalizes the publication of NCII and requires online platforms to remove such content within 48 hours of notice from a victim.

HOW THIS POLICY COULD HELP YOUR STATE:

The widespread adoption of novel digital technologies like generative AI has the potential to disrupt the legal and regulatory landscape. One potential gap in the law pertains to child sexual abuse material (CSAM) and non-consensual intimate media (also known as "revenge pornography") that has been generated, altered, or manipulated using AI tools or deepfakes.

Together with ALEC's model Stop Non-Consensual Distribution of Intimate Deepfake Media Act, the Stop Deepfake CSAM Act seeks to close a potential gap in existing law with narrowly targeted state legislation. These two model policies reassert the original intent of the legislature to stop illegal CSAM and revenge pornography, bolstering existing statutes already in effect that criminalize the possession and distribution of CSAM and target unlawful non-consensual intimate deepfakes. This simple, surgical model language modernizes existing laws to account for the reality of our AI world without granting more power than absolutely necessary to government agencies.

Since ALEC members approved these common-sense model policies back in 2023, Ballotpedia found that at least 46 states have enacted laws concerning the creation or distribution of either CSAM or non-consensual intimate image AI deepfakes.

STEP 3:

Build State Government Expertise on AI and Remove Regulatory Barriers

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Model State Artificial Intelligence Act

Core Summary

This is the first step to support innovation and encourage the responsible experimentation of AI technology in your communities. ALEC's AI framework establishes a temporary Office of Artificial Intelligence Policy, which functions as an advisory office (not a regulatory body) reporting to the Attorney General. The Office is tasked with identifying regulatory barriers to AI development, cutting regulatory red tape that hinders innovation, and fostering collaboration with the private sector and other states on AI public policy. It will also administer an Artificial Intelligence Learning Laboratory Program with the ability to convene stakeholders, produce evidence-based findings and recommendations to guide the legislature on regulation of specific AI use cases, and grant regulatory mitigation agreements to Learning Lab participants.

State Case Study

Utah SB 149 (2024). Instead of reflexively punishing the AI industry with onerous regulations, Utah took a measured approach by unanimously enacting the nation's first AI Learning Laboratory, administered by an advisory Utah Office of AI Policy. The Office promptly set its first learning agenda in Summer 2024, studying the intersection of AI and mental health, which ultimately resulted in recommendations to the legislature that inspired Utah HB 452 (2025). Mental health and industry professionals alike praised this legislation as an example of pragmatic policymaking, strengthening consumer protection and enacting reasonable safeguards without limiting innovation.

HOW THIS POLICY COULD HELP YOUR STATE:

For states wondering where to begin with regulating a complex and transformative general-purpose technology like AI, ALEC's Model State Artificial Intelligence Act is the ideal framework to help policymakers separate fact from fiction and make informed decisions on matters of AI policy.

First and foremost, the model policy establishes an advisory Office of Artificial Intelligence Policy housed within the Office of the Attorney General that is laser-focused on studying and removing regulatory barriers to AI, identifying genuine gaps in existing law resulting in concrete, non-speculative harms, and administering an Artificial Intelligence Learning Laboratory Program that would facilitate regulatory mitigation.

The Office of AI Policy will specifically:

1. **Conduct inventories of all existing state regulatory capacity to regulate AI** and an inventory of current state agency use of AI tools to avoid unnecessary and duplicative regulations;

2. **Establish a voluntary Artificial Intelligence Learning Laboratory** to produce findings and recommendations to the state legislature on AI policy, convene industry leaders and key stakeholders to inform such findings, and examine the effectiveness of current or proposed AI regulations;

3. **Grant temporary regulatory mitigation agreements,** allowing entrepreneurs to responsibly experiment with AI implementations in a controlled environment supervised by the state. These agreements function similarly to regulatory sandboxes, which allow for temporary exemption from burdensome state regulations for the purpose of testing novel ideas.

Resolution in Support of Free Market Solutions & Enforcement of Existing Regulations for Uses of Artificial Intelligence

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Core Summary

This resolution underscores the importance of free market and limited government principles when considering the regulation of novel technologies like generative AI. The resolution supports a permissionless innovation approach to AI regulation, recognizing that the free market has been proven time and again for decades as the best tool to advance domestic tech innovation, mitigate harm, safeguard privacy, and foster competition in the digital marketplace. The resolution also supports the use of existing state laws and regulations to address challenges relating to AI use, and rejects attempts by government to outright ban AI.

State Case Study

Texas AI Advisory Council (2023). As generative AI dominated the headlines in 2023, the Texas Legislature and Gov. Greg Abbott enacted HB 2060 to establish a Texas Artificial Intelligence Advisory Council led by Sen. Tan Parker and then-Rep. Giovanni Capriglione. Similar to Utah's Office of AI Policy, the Council conducted a review and audit of how AI and automated decision systems are already implemented by Texas government agencies, and studied how Texas might become a national leader in the ethical and responsible development of technology. Some of these recommendations were eventually incorporated into the Texas Responsible AI Governance Act (TRAIGA). Although some of the provisions impacting private sector businesses and consumers were controversial, TRAIGA also established new disclosure requirements and prohibitions for government entity use of AI, as well as a regulatory sandbox program.

HOW THIS POLICY COULD HELP YOUR STATE:

Historically, technological innovation led by the private sector has outpaced attempts by government officials to regulate. When Congress and federal agencies established the cornerstone legal frameworks for internet regulation in the era of Windows 98 and America Online, lawmakers could not have predicted today's dynamic digital economy powered by high-speed broadband and supercomputers in every pocket.

Since the federal Telecommunications Act of 1996, America has pursued a light-touch regulatory approach to the internet and emerging technologies, which allowed its technology industry to flourish and deliver thousands of jobs and billions in economic impact nationwide. Not unlike the proliferation of the internet and mobile devices decades ago, AI will certainly present new challenges and disruptions to the status quo.

However, pursuing a project of strict AI regulation would necessarily sacrifice the benefits and opportunities for AI to improve the daily lives of Americans. Instead, the better approach for states is to affirm America's longstanding tradition of an open and competitive digital economy, respecting Constitutional rights, and encouraging cooperation between private industry and entrepreneurs to solve problems—not relying on the heavy hand of government bureaucrats.

ALEC's model resolution, testimony, and commentary on the state AI policy landscape can help states orient themselves for the next phase of AI innovation and avoid the pitfalls that California, Colorado, Illinois, and New York have found when enacting punitive regulation.

MORE ALEC RESOURCES:

- ALEC Commentary: How States Can Help President Trump Usher in a Golden Age of AI (2025)

- Letter to U.S. House AI Task Force: Support a Pro-Innovation Framework for Artificial Intelligence (2024)

- ALEC Testimony to the Wisconsin Assembly Speaker's Task Force on Artificial Intelligence (2023)

- A Free-Market Roadmap to Artificial Intelligence: ALEC Comment on the NTIA's AI Accountability Policy (2023)

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