1-1 By: Capriglione, et al. (Senate Sponsor - Parker) H.B. No. 2060
1-2   (In the Senate - Received from the House April 20, 2023;
1-3 April 24, 2023, read first time and referred to Committee on
1-4 Business & Commerce; May 19, 2023, reported favorably by the
1-5 following vote: Yeas 10, Nays 0; May 19, 2023, sent to printer.)

1-6   COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Schwertner	X			
1-9	King	X			
1-10	Birdwell			X	
1-11	Campbell	X			
1-12	Creighton	X			
1-13	Johnson	X			
1-14	Kolkhorst	X			
1-15	Menéndez	X			
1-16	Middleton	X			
1-17	Nichols	X			
1-18	Zaffirini	X			

1-19   A BILL TO BE ENTITLED
1-20   AN ACT

1-21 relating to the creation of the artificial intelligence advisory
1-22 council.
1-23   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-24   SECTION 1. Chapter 2054, Government Code, is amended by
1-25 adding Subchapter S to read as follows:
1-26   SUBCHAPTER S. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL
1-27   Sec. 2054.621. DEFINITIONS. In this subchapter:
1-28   (1) "Algorithm" means a computerized procedure
1-29 consisting of a set of steps used to accomplish a determined task.
1-30   (2) "Artificial intelligence systems" means systems
1-31 capable of:
1-32   (A) perceiving an environment through data
1-33 acquisition and processing and interpreting the derived
1-34 information to take an action or actions or to imitate intelligent
1-35 behavior given a specific goal; and
1-36   (B) learning and adapting behavior by analyzing
1-37 how the environment is affected by prior actions.
1-38   (3) "Automated decision system" means an algorithm,
1-39 including an algorithm incorporating machine learning or other
1-40 artificial intelligence techniques, that uses data-based analytics
1-41 to make or support governmental decisions, judgments, or
1-42 conclusions.
1-43   (4) "Automated final decision system" means an
1-44 automated decision system that makes final decisions, judgments, or
1-45 conclusions without human intervention.
1-46   (5) "Automated support decision system" means an
1-47 automated decision system that provides information to inform the
1-48 final decision, judgment, or conclusion of a human decision maker.
1-49   (6) "Council" means the artificial intelligence
1-50 advisory council established under this subchapter.
1-51   (7) "Public or private institution of higher
1-52 education" means:
1-53   (A) an institution of higher education, as
1-54 defined by Section 61.003, Education Code; or
1-55   (B) a private or independent institution of
1-56 higher education, as defined by Section 61.003, Education Code.
1-57   Sec. 2054.622. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL.
1-58 (a) The council is composed of the following seven members:
1-59   (1) one member of the house of representatives
1-60 appointed by the speaker of the house of representatives;
1-61   (2) one member of the senate appointed by the

2-1 lieutenant governor;
2-2   (3) the executive director or the executive director's
2-3 designee; and
2-4   (4) the following four members appointed by the
2-5 governor:
2-6   (A) an academic professional specializing in
2-7 ethics who is employed by a public or private institution of higher
2-8 education;
2-9   (B) an academic professional specializing in
2-10 artificial intelligence systems who is employed by a public or
2-11 private institution of higher education;
2-12   (C) an expert on law enforcement usage of
2-13 artificial intelligence systems; and
2-14   (D) an expert in constitutional and legal rights.
2-15   (b) The council members appointed under Subsections (a)(1)
2-16 and (2) shall serve as co-chairs of the council.
2-17   (c) A member of the council is not entitled to compensation
2-18 or reimbursement for expenses.
2-19   (d) The department shall provide administrative support for
2-20 the council.
2-21   (e) The council shall meet at the call of the co-chairs. The
2-22 council may meet in person or by telephone conference call,
2-23 videoconference, or another similar telecommunication method.
2-24 Notwithstanding Chapter 551 or any other law, a meeting held by
2-25 telephone conference call, videoconference, or another similar
2-26 telecommunication method is subject to the requirements of Sections
2-27 551.125(c), (d), (e), and (f).
2-28   (f) The council shall study and monitor artificial
2-29 intelligence systems developed, employed, or procured by state
2-30 agencies. In carrying out its duties under this section, the
2-31 council shall:
2-32   (1) assess the need for a state code of ethics for
2-33 artificial intelligence systems in state government;
2-34   (2) review automated decision systems inventory
2-35 reports submitted by state agencies under Section 2054.623,
2-36 including a review of:
2-37   (A) the effect of the automated decision systems
2-38 on the constitutional or legal rights, duties, or privileges of the
2-39 residents of this state; and
2-40   (B) the potential benefits, liabilities, or
2-41 risks that this state could incur as a result of implementing the
2-42 automated decision systems; and
2-43   (3) recommend administrative actions that state
2-44 agencies may take without further legislative authorization.
2-45   (g) Not later than December 1, 2024, the council shall
2-46 submit a report to the legislature that includes:
2-47   (1) a summary of the council's findings after
2-48 reviewing the automated decision systems inventory reports
2-49 submitted under Section 2054.623;
2-50   (2) a summary of the recommendations of any relevant
2-51 national bodies on artificial intelligence systems in state
2-52 government;
2-53   (3) an assessment of the impact of using artificial
2-54 intelligence systems in state government on the liberty, finances,
2-55 livelihood, and privacy interests of the residents of this state;
2-56   (4) recommendations of any policies necessary to:
2-57   (A) protect the privacy and interests of the
2-58 residents of this state from any diminution caused by employment of
2-59 artificial intelligence systems by state government;
2-60   (B) ensure that the residents of this state are
2-61 free from unfair discrimination caused or compounded by the
2-62 employment of artificial intelligence systems in state government;
2-63 and
2-64   (C) promote workforce knowledge of artificial
2-65 intelligence technology and the development of ethical artificial
2-66 intelligence systems in state government; and
2-67   (5) any other information that the council considers
2-68 relevant.
2-69   Sec. 2054.623. AUTOMATED DECISION SYSTEMS INVENTORY

3-1 REPORT. (a) Not later than July 1, 2024, each agency in the
3-2 executive and legislative branches of state government, using money
3-3 appropriated to the agency by this state, shall submit an inventory
3-4 report of all automated decision systems that are being developed,
3-5 employed, or procured by the agency. For each automated decision
3-6 system, the inventory report must include a description of:
3-7   (1) the name and vendor of the automated decision
3-8 system, if any;
3-9   (2) the automated decision system's general
3-10 capabilities, including:
3-11   (A) reasonably foreseeable capabilities outside
3-12 the scope of the agency's proposed use; and
3-13   (B) whether the automated decision system is used
3-14 or may be used for independent decision-making powers and the
3-15 impact of those decisions on the residents of this state;
3-16   (3) the types of data inputs that the technology uses;
3-17   (4) how the data described by Subdivision (3) is
3-18 generated, collected, and processed;
3-19   (5) the types of data the automated decision system is
3-20 reasonably likely to generate;
3-21   (6) whether the automated decision system has been
3-22 tested by an independent third party, has a known bias, or is
3-23 untested for bias;
3-24   (7) the purpose and proposed use of the automated
3-25 decision system, including:
3-26   (A) the decisions the automated decision system
3-27 will be used to make or support;
3-28   (B) whether the automated decision system is an
3-29 automated final decision system or an automated support decision
3-30 system; and
3-31   (C) the automated decision system's intended
3-32 benefits, including any data or research relevant to the outcome of
3-33 those results;
3-34   (8) how automated decision system data is securely
3-35 stored and processed and whether the agency intends to share access
3-36 to the automated decision system or data from that automated
3-37 decision system with any other entity, and why; and
3-38   (9) the information technology fiscal impacts of the
3-39 automated decision system, including:
3-40   (A) initial acquisition costs and ongoing
3-41 operating costs, such as maintenance, licensing, personnel, legal
3-42 compliance, use auditing, data retention, and security costs;
3-43   (B) any cost savings that would be achieved
3-44 through the use of the technology; and
3-45   (C) any current or potential sources of funding,
3-46 including any subsidies or free products being offered by vendors
3-47 or governmental entities.
3-48   (b) Not later than March 1, 2024, the council, in
3-49 consultation with the department, shall prescribe the form,
3-50 contents, and manner of submission of the automated decision
3-51 systems inventory report required under this section.
3-52   (c) Each agency shall submit the report required under this
3-53 section to the:
3-54   (1) department;
3-55   (2) council; and
3-56   (3) standing committees of the senate and house of
3-57 representatives with primary jurisdiction over state agency
3-58 information technology.
3-59   Sec. 2054.624. COUNCIL ABOLISHED; EXPIRATION OF
3-60 SUBCHAPTER. The council is abolished and this subchapter expires
3-61 January 1, 2025.
3-62   SECTION 2. (a) As soon as practicable after the effective
3-63 date of this Act but not later than October 1, 2023, the appropriate
3-64 appointing authorities shall appoint the members to the artificial
3-65 intelligence advisory council as required by Section 2054.622,
3-66 Government Code, as added by this Act.
3-67   (b) Not later than November 1, 2023, the advisory council
3-68 established under Subchapter S, Chapter 2054, Government Code, as
3-69 added by this Act, shall hold its initial meeting.

4-1   SECTION 3. This Act takes effect immediately if it receives
4-2 a vote of two-thirds of all the members elected to each house, as
4-3 provided by Section 39, Article III, Texas Constitution. If this
4-4 Act does not receive the vote necessary for immediate effect, this
4-5 Act takes effect September 1, 2023.

4-6   * * * * *