

HB 3592 -5 STAFF MEASURE SUMMARY

Joint Committee On Information Management and Technology

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/11, 6/11

WHAT THE MEASURE DOES:

House Bill 3592 establishes the Oregon Commission on Artificial Intelligence 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 State Chief Information Officer to hire a Chief Artificial Intelligence Officer to assist the commission in carrying out the commission's duties and provides a General Fund appropriation 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.*

Detailed Summary:

- Establishes a seventeen (17) member Oregon Commission on Artificial Intelligence, consisting of fourteen (14) voting and three (3) nonvoting members and 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 privacy interests, including use to support or make decisions around employment, and provide recommendations on appropriate uses and limitations of those systems;
 - 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 in artificial intelligence technologies and related economic growth and workforce development through policymaking or the use of grants or incentives;
 - 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;
 - 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 State Chief Information Officer to appoint 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 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.

Effective date:

- Effective January 1, 2026

ISSUES DISCUSSED:

- Overview of the measure
- Oregon's Joint Task Force on AI
- Governor Kotek's State Government AI Advisory Council
- Potential benefits and risks associated with the use of AI
- Purpose of establishing an Oregon AI Commission and proposed amendments to the measure
- Need to ensure that the Oregon AI Commission remains focused, and avoids taking on too many issues in parallel
- Need to appoint an Oregon Artificial Intelligence Officer to provide leadership on this topic
- Need to oversee, guide, and responsibly regulate the use of AI in Oregon
- Need to clarify whether the commission would focus on the private sector or the public sector or both
- Potential benefits and risks related to use of AI in Oregon's courts
- Potential benefits and risks related to the use of AI in law enforcement and its impact on public safety
- Potential benefits and risks related to the use of AI in the fire service
- Gov AI Coalition - Multi jurisdictional collaborative group focused on the use of AI in the public sector
- Potential benefits and risks related to the use of AI in Oregon local government and special districts
- Concerns about the impact of AI on Oregon's workforce
- Need to ensure human oversight of the use of AI
- AI task force and advisory council efforts in other states
- Need to invest in AI related economic development, workforce development and training
- Need for Oregon government to collaborate with Oregon's private sector and academia

EFFECT OF AMENDMENT:

-5 The amendment changes the name of the commission from the “Oregon Commission on Artificial Intelligence” to the “Senator Aaron Woods Commission on Artificial Intelligence.” The amendment establishes the commission within the Oregon Department of Justice and makes some minor modifications to the purpose or charge of the commission.

The amendment increases the size of the commission from seventeen to eighteen members (fourteen (14) voting and four (4) non-voting members) and makes the President of the Senate and the Speaker of the House of Representatives the appointing authorities for the majority of the voting members. The Senate President and House Speaker would appoint twelve (12) voting members and the Governor would appoint the remaining two (2) voting members. The amendment also adds one additional non-voting member - the Chief Justice of the Oregon Supreme Court or the Justice’s designee.

The amendment places the authority and responsibility for appointing or employing a Chief Artificial Intelligence Officer with the Attorney General, instead of the State Chief Information Officer, and authorizes the Oregon Department of Justice, instead of the 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.

The amendment provides a General Fund appropriation to the Oregon Department of Justice 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.

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.