Multiple Agency Fiscal Note Summary

Bill Number: 1168 HB	**Title:** Artificial intelligence info

Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington Technology Solutions	0	0	933,800	0	0	1,058,800	0	0	558,800
Total $	**0**	**0**	**933,800**	**0**	**0**	**1,058,800**	**0**	**0**	**558,800**

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	No fiscal impact					
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

FNPID 71524

FNS029 Multi Agency rollup

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State Leadership Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Human Rights Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington Technology Solutions	1.0	0	0	933,800	1.0	0	0	1,058,800	1.0	0	0	558,800
Board of Registration for Professional Engineers & Land Surveyors	.0	0	0	0	.0	0	0	0	.0	0	0	0
Traffic Safety Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Corrections	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Services for the Blind	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Center for Childhood Deafness and Hearing Loss	.0	0	0	0	.0	0	0	0	.0	0	0	0
Eastern Washington University	1.0	240,000	240,000	240,000	1.0	240,000	240,000	240,000	1.0	240,000	240,000	240,000
Eastern Washington University	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Central Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
County Road Administration Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**2.0**	**240,000**	**240,000**	**1,173,800**	**2.0**	**240,000**	**240,000**	**1,298,800**	**2.0**	**240,000**	**240,000**	**798,800**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	No fiscal impact								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Leadership Board	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Human Rights Commission	.0	0	0	.0	0	0	.0	0	0
Washington Technology Solutions	.0	0	0	.0	0	0	.0	0	0
Board of Registration for Professional Engineers & Land Surveyors	.0	0	0	.0	0	0	.0	0	0
Traffic Safety Commission	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
Department of Services for the Blind	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Washington State Center for Childhood Deafness and Hearing Loss	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
County Road Administration Board	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	No fiscal impact								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	**Phone:** (360) 790-1166	**Date Published:** Final 1/17/2025

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 083-Washington State Leadership Board

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Ian Shelley	Phone: (360) 407-2243	Date: 01/09/2025
Agency Approval:	Ian Shelley	Phone: (360) 407-2243	Date: 01/09/2025
OFM Review:	Brian Fechter	Phone: (360) 688-4225	Date: 01/13/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 defines relevant terms used throughout the chapter.

Section 2 requires developers of generative artificial intelligence systems or services post on their website documentation about the data used to train the generative artificial intelligences system or service.

Section 3 requires the Attorney General to enforce this chapter and imposes a civil penalty to any developer found in violation of the chapter.

Section 4 indicates that sections 1 through 3 constitute a new chapter in Title 19 RCW.

The Washington State Leadership Board (WSLB) does not operate as a developer of generative artificial intelligence systems. Further this legislation does not require WSLB to be involved in assessing or collecting civil penalties. Therefore, WSLB expects no fiscal impact from this legislation.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 100-Office of Attorney General

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Chad Standifer	Phone: 3605863650	Date: 01/10/2025
Agency Approval:	Leah Snow	Phone: 360-586-2104	Date: 01/10/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 01/15/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

1. The Attorney General's Office (AGO) Transportation and Public Construction Division (TPC) has reviewed this bill and determined it will not increase or decrease the division's workload. The enactment of this bill will not impact the provision of legal services to Washington Technology Solutions (WaTech) or the Department of Enterprise Services (DES) because the bill requirements focus on private entities, and neither WaTech nor DES will be directly involved in state enforcement actions. Therefore, no costs are included in this request.

2. The AGO Consumer Protection Division (CPR) has reviewed this bill and determined it will not increase or decrease the division's workload. CPR does not anticipate any impact due to the likelihood of industry compliance and the presence of other regulators enforcing similar requirements with respect to covered entities that do business in multiple states. Therefore, no costs are included in this request.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 105-Office of Financial Management

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Kathy Cody	Phone: (360) 480-7237	Date: 01/13/2025
Agency Approval:	Jamie Langford	Phone: 360-902-0422	Date: 01/13/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 01/15/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec 2 (1) sets a mandate for developers of artificial intelligence and generative artificial intelligence systems and products to post a web notice regarding the data used by the developer to train the generative artificial intelligence system or service.

OFM contract managers will have to verify that vendors comply with the bill's requirements when procuring or updating technology tools. OFM will incorporate this work into the procurement and vendor management processes utilizing current resources. Therefore, there is no fiscal impact to OFM.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 107-Washington State Health Care Authority

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Marcott Jami	Phone: 360-725-1758	Date: 01/14/2025
Agency Approval:	Catrina Lucero	Phone: 360-725-7192	Date: 01/14/2025
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 01/14/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2
This bill requires developers of generative artificial intelligence (GenAI) services to publish information regarding the data sets used to train a GenAI tool.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

There is no cash receipt impact on HCA as a result of this bill.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 2
The Health Care Authority (HCA) may use or procure GenAI tools that will be subject to the requirements of this section. HCA assumes that it would not be responsible for providing oversight of GenAI vendors to ensure compliance with the new mandates given language in section 3 directing the Attorney General to perform enforcement duties. The impact of this bill does not result in a fiscal impact to HCA.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 120-Human Rights Commission

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Barbara Harris	Phone: (360) 359-4950	Date: 01/15/2025
Agency Approval:	Andreta Armstrong	Phone: (360) 753-2558	Date: 01/15/2025
OFM Review:	Megan Tudor	Phone: (360) 890-1722	Date: 01/15/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

HB 1168 proposes a new chapter in Title 19 RCW to increase transparency in artificial intelligence (AI), specifically concerning generative AI systems and the data used to train them. Transparency Requirements: The bill requires AI developers to disclose information about datasets, including whether they contain personal data, and whether any aggregate consumer information is used. This transparency could have indirect implications for how AI systems are used in contexts that might intersect with discrimination laws.

HB 1168 does not seem to amend RCW 49.60 directly. It does not introduce new categories of discrimination or expand existing protected classes under the law. Therefore, it does not alter the anti-discrimination provisions in RCW 49.60 in terms of defining or adding new grounds for discrimination.

While HB 1168 does not modify RCW 49.60, it could create an environment where AI developers must ensure that their systems comply with Washington's anti-discrimination laws.

HB 1168 introduces important transparency requirements for AI developers, particularly regarding the data used to train generative AI systems. However, it does not directly amend or expand the provisions of RCW 49.60, which governs anti-discrimination protections.

If AI systems are found to be discriminatory in their outcomes (e.g., hiring algorithms that disadvantage certain minority groups), the Human Rights Commission or the Attorney General could potentially pursue action under RCW 49.60 for violations of discrimination laws.
For example, if a generative AI system is used in decision-making processes in housing or employment, and the AI system's data training includes biased information, transparency under HB 1168 could bring attention to potential violations of RCW 49.60.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 163-Washington Technology Solutions

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Washington Technology Solutions Revolving Account-Non-Appropriated 458-6	529,400	404,400	933,800	1,058,800	558,800
Total $	529,400	404,400	933,800	1,058,800	558,800

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
Washington Technology Solutions Revolving Account-Non-Appropriated 458-6	529,400	404,400	933,800	1,058,800	558,800
Total $	529,400	404,400	933,800	1,058,800	558,800

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Kelly Moore	Phone: 360-407-8427	Date: 01/16/2025
Agency Approval:	Nenita Ching	Phone: 360-407-8878	Date: 01/16/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 01/17/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 (Definitions) – Provides definitions, including:

• Developer: "Developer" means a person, partnership, state or local government agency, or corporation that designs, codes, produces, or substantially modifies an artificial intelligence system or service for use by members of the public. For the purposes of this definition, "members of the public" does not include an affiliate as defined in RCW 19.146.010 or a hospital's medical staff member.

• Generative artificial intelligence: "Generative artificial intelligence" means artificial intelligence that can generate derived synthetic content, such as text, images, video, and audio, that emulates the structure and characteristics of the artificial intelligence's training data.

Section 2 –Prescribes a transparency requirement for any system or service, or modification of a system or service, that uses Generative AI and is made publicly available to Washingtonians for use. This requirement goes into effect on or before January 1, 2026 for all systems or services meeting the criteria that were released on or after January 1, 2022. Information on the system or service must be posted on the developer website with several attributes including, but not limited to:

- Summary of datasets (their sources/owners).
- Purpose/relationship of datasets to the AI system's intended use.
- Number of data points (or ranges) and their characteristics or labels.
- Intellectual property status of the data (e.g., copyright, trademark).
- Whether data were purchased or licensed by the developer.
- Presence of personal information, as defined by a state notice of security breach law.
- Presence of aggregate consumer data.
- Any data cleaning or processing performed.
- Time period during which the data were collected.
- Dates the datasets were first used for development.
- Use of synthetic data generation and its purpose.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Enterprise Architecture and Innovation is funded from the Washington Technology Solutions Revolving Account (458-1). Revenues for Enterprise Architecture and Innovation are collected from state agencies who receive allocations through the Enterprise Architecture and Innovation allocation in the Central Services Model (CSM). It is assumed that the allocations in the CSM will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Enterprise:
Section 1. The AI system or service definition is very broad to include almost any system that generates outputs.
Section 1(2) states:
"Artificial intelligence" means an engineered or machine based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

The definition of AI including in the bill is broad and will impact almost all agencies using AI, which requires support from WaTech. For the purpose of this fiscal note, WaTech assumes that the requirements only apply to generative AI.

Section 2. This section prescribes a transparency requirement for any system or service, or modification of a system or service, that uses Generative AI and is made publicly available to Washingtonians for use. This requirement goes into effect on or before January 1, 2026 for all systems or services meeting the criteria that were released on or after January 1, 2022. Information on the system or service must be posted on the developer website with several attributes, as listed in the bill.

WaTech assumes it will need to provide guidance to agencies on how to identify, document, and publish the required information on covered deployments of GenAI. However, section 2 also includes requirements beyond GenAI systems in that it requires the "whether there was any cleaning, processing or other modification to datasets by the developer including the intended purpose of those efforts in relation to the AI system or service" and "dates the datasets were first used during the development of the artificial intelligence system or service." Our fiscal note assumes that the guidance WaTech will provide to agencies will exclusively focus on covered GenAI systems, not other forms of AI.

As a leader for technology policy and privacy for the state of Washington, WaTech assumes that it will provide assistance to agencies in implementing the requirements of the bill. WaTech assumes that the Office of Privacy and Data Protection (OPDP) within WaTech will assist agencies with template development and analysis assistance to agencies regarding requirements under Section 2. WaTech assumes that the workload impact on OPDP can be absorbed within its base budget.

A Generative AI Data Management Senior Specialist (1.0 FTE, 11IT) will be required by WaTech beginning FY 2026 to:

- Create enterprise standards, guidelines, and best practices for agencies to document training data sets for public-facing generative AI solutions, and
- Provide direct consulting with agencies for current or proposed GenAI use cases that are publicly available.

For FY 26 through FY 29, WaTech will also need to contract with consultants to assist in developing templates and contract terms for industry partners, and to provide training data for genAI systems or services to state agencies. The work to address Section 2 of the bill would require funding through FY 29. We expect the number of GenAI use cases in the State to increase over time, and our guidance and tools/templates will need to be updated accordingly. We expect we will need continued specialized expertise from contractors to update our guidance/templates/tools based on different use cases across the state based on complexity and impact.
Calculated expenditures were generated based on estimates and our assessment of industry rates for data and AI architects. Specifically, we anticipate the following number of consultant hours at a rate of $250 per hour:
FY 2026 – 1,000 hours
FY 2027 – 500 hours
FY 2028 – 1,000 hours
FY 2029 – 1,000 hours

WaTech Operations:
Section 2. This section prescribes a transparency requirement for any system or service, or modification of a system or service, that uses Generative AI and is made publicly available to Washingtonians for use. This requirement goes into effect on or before January 1, 2026 for all systems or services meeting the criteria that were released on or after January 1, 2022. Information on the system or service must be posted on the developer website with several attributes, as listed in the bill.

The bill has no fiscal impact on WaTech operations. WaTech does not currently have any systems or applications that meet the criteria in Section 2. In the future, if WaTech implements a system or application that meets the criteria, WaTech will work closely with vendors to obtain information to comply with the requirements set forth in the proposed bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
458-6	Washington Technology Solutions Revolving Account	Non-Appropriated	529,400	404,400	933,800	1,058,800	558,800
		Total $	529,400	404,400	933,800	1,058,800	558,800

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	147,200	147,200	294,400	294,400	294,400
B-Employee Benefits	44,200	44,200	88,400	88,400	88,400
C-Professional Service Contracts	250,000	125,000	375,000	500,000	
E-Goods and Other Services	1,500	1,500	3,000	3,000	3,000
G-Travel	500	500	1,000	1,000	1,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	86,000	86,000	172,000	172,000	172,000
9-					
Total $	529,400	404,400	933,800	1,058,800	558,800

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
IT Data Management - Senior Manager (11IT)	147,200	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

No Capital Budget Impact.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 166-Board of Registration for Professional Engineers & Land Surveyors

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Ian Shelley	Phone: (360) 407-2243	Date: 01/08/2025
Agency Approval:	Ian Shelley	Phone: (360) 407-2243	Date: 01/08/2025
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 01/09/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 defines relevant terms used throughout the chapter.

Section 2 requires developers of generative artificial intelligence systems or services to post on their website documentation about the data used to train the generative artificial intelligences system or service.

Section 3 requires the Attorney General to enforce this chapter and imposes a civil penalty to any developer found in violation of the chapter.

Section 4 indicates that sections 1 through 3 constitute a new chapter in Title 19 RCW.

The Board of Registration for Professional Engineers and Land Surveyors (BRPELS) does not operate as a developer of generative artificial intelligence systems. Further this legislation does not require BRPELS to be involved in assessing or collecting civil penalties. Therefore, BRPELS expects no fiscal impact from this legislation.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 228-Traffic Safety Commission

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Mark McKechnie	Phone: 3607259889	Date: 01/10/2025
Agency Approval:	Mark McKechnie	Phone: 3607259889	Date: 01/10/2025
OFM Review:	Brooke Gore	Phone: (564) 669-0703	Date: 01/13/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

No fiscal impact at this time. This could change if the agency moves in the direction of using generative AI tools that are publicly accessible.

AN ACT Relating to increasing transparency in artificial intelligence; adding a new chapter to Title 19 RCW; and prescribing penalties.

Section 1: definitions of AI, information, and other terms. Developer includes a state or local government agency. "Generative artificial intelligence" means artificial intelligence that can generate derived synthetic content, such as text, images, video, and audio, that emulates the structure and characteristics of the artificial intelligence's training data.

Section 2: Each time a generative AI system or service is developed or substantially modified and made publicly available for use in Washington, the developer shall post documentation on datasets used in development of AI, including sources or owners of datasets, description of datasets, number of datapoints in datasets, description of data types, whether datasets are protected by copyright or patent, whether datasets were purchased or licensed, whether datasets contain personal information, any cleaning or modification to datasets, time period of datasets, etc.

Sec. 3: AG shall enforce this chapter. Imposes penalties for violations.

Sec. 4: Sections 1 -3 constitute a new chapter in Title 19 RCW.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

No impact.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 240-Department of Licensing

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Deb Williams	Phone: 360-902-0015	Date: 01/09/2025
Agency Approval:	Collin Ashley	Phone: (564) 669-9190	Date: 01/09/2025
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 01/10/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill establishes requirements for artificial intelligence (AI) systems built on or after January 1, 2022. The law would require developers of AI systems to publicly share the information related to how the system was trained and what data was used by January 1, 2026. It also requires the Attorney General's Office to enforce the requirements and levy a fine for non-compliance.

The Department of Licensing (DOL) does not currently develop Generative AI products; therefore we will not have any products requiring us to post the datasets on our website. DOL assumes that by January 1, 2026, WaTech policies, standards and guidance to agencies regarding the use of AI will be complete, and that agency adherence to those mandates will be sufficient to demonstrate compliance with the requirements of this bill. The only action DOL will need to take in addition to our current processes is confirm these items are posted on the developer (vendor) website as part of our SAIT (Security, Architecture, Infrastructure and Technology) process.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: HB 1168 Bill Title: Artificial Intelligence Information

Part 1: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts:

Not applicable

Estimated Expenditures:

Not applicable

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions.

☐ If the fiscal impact is **less than $50,000** per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ If fiscal impact is **greater than $50,000** per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact: Emily Poole	Phone: 360-786-7106	Date: 1/7/25
Agency Preparation: Deb Williams	Phone: (360) 634-5083	Date: 1/8/25
Agency Approval: Collin Ashley	Phone: (360) 634-5384	Date: 1/8/25

Request #	1
Bill #	HB 1168

Part 2 – Explanation

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

This bill establishes requirements for artificial intelligence (AI) systems built on or after January 1, 2022. The law would require developers of AI systems to publicly share the information related to how the system was trained and what data was used by January 1, 2026. It also requires the Attorney General's Office to enforce the requirements and levy a fine for non-compliance.

The Department of Licensing (DOL) does not currently develop Generative AI products, therefore we will not have any products requiring us to post the datasets on our website. DOL assumes that by January 1, 2026 WaTech policies, standards and guidance to agencies regarding the use of AI will be complete, and that agency adherence to those mandates will be sufficient to demonstrate compliance with the requirements of this bill. The only action DOL will need to take in addition to our current processes is confirm these items are posted on the developer (vendor) website as part of our SAIT (Security, Architecture, Infrastructure and Technology) process.

Workload Indicators: (if applicable)

2.B - Cash receipts Impact
No impact

2.C – Expenditures
No Impact

Information Services:

Information services will make necessary changes to the existing SAIT process to ensure that software is properly reviewed, tracked, and documented. These changes are expected to take approximately 20 hours of effort from an IT Enterprise Architecture Architect. This effort can be absorbed by DOLs current processes.

Support Services:

No Impact.

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

3.B – Expenditures by Object or Purpose

3.C – FTE Detail

3.D – Expenditures by Program (Optional)

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 300-Department of Social and Health Services

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Douglas Hoffer	Phone: 360-902-8187	Date: 01/13/2025
Agency Approval:	Dan Winkley	Phone: 360-902-8236	Date: 01/13/2025
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 01/14/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

There is no fiscal impact to the Department of Social and Health Services (DSHS). This proposal is intended to increase transparency when Artificial Intelligence (AI) solutions are made publicly available to Washington Citizens. The bill requires developers of AI solutions to post on the developer's internet website documentation regarding the data used by the developer to train the generative artificial intelligence system or service.

DSHS does not currently have any deployed technologies that would qualify under the bill as a generative AI solution. It is possible that there would be an impact on future projects for deploying generative AI solutions.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 310-Department of Corrections

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Steven Elwanger	Phone: (360) 725-8428	Date: 01/10/2025
Agency Approval:	Wendi Gunther	Phone: 360-725-8428	Date: 01/10/2025
OFM Review:	Danya Clevenger	Phone: (360) 688-6413	Date: 01/12/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill enhances transparency and accountability in the development and deployment of artificial intelligence (AI) systems. It includes provisions for disclosing information about AI systems, regular reporting, public access to this information, and requiring the Attorney General to enforce this bill.

The effective date is assumed 90 days after adjournment of the session in which this bill is passed.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Department of Corrections (DOC) assumes no fiscal impact.

At present, DOC does not utilize generative artificial intelligence (AI), except as built-in to select security tools. According to section 2(2)(a): a developer is not required to post documentation regarding the data used to train a generative artificial intelligence system or service for any of the following: a generative artificial intelligence system or service whose sole purpose is to help ensure security and integrity. Therefore, these tools are exempt from the required disclosure due to being used to mitigate threats from cyber-attacks.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 315-Department of Services for the Blind

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Lorie Christoferson	Phone: (360) 725-3840	Date: 01/08/2025
Agency Approval:	Joseph Kasperski	Phone: 360-725-3847	Date: 01/08/2025
OFM Review:	Anna Minor	Phone: (360) 790-2951	Date: 01/09/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The Department of Services for the Blind does not have or plan to have a generative artificial intelligence system or service that is made publicly available to Washingtonians for their use.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 350-Superintendent of Public Instruction

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Cindy Jendryka-Wirkkala	Phone: 3607256292	Date: 01/14/2025
Agency Approval:	Mike Woods	Phone: 360 725-6283	Date: 01/14/2025
OFM Review:	Brian Fechter	Phone: (360) 688-4225	Date: 01/15/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2 (New Section)
This section requires developers, including state and local governments, of generative artificial intelligence (AI) systems or services that are made publicly available to Washingtonians, to post documentation on their website regarding the data used by the developer to train the generative artificial intelligence system or service.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

There is no impact to cash receipts.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

OSPI does not develop or modify any AI systems for public use. There are no anticipated AI systems within OSPI. There is no fiscal impact to OSPI.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

There is no capital budget impact.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 353-Washington State Center for Childhood Deafness and Hearing Loss

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	April Rupe	Phone: 360-901-4010	Date: 01/08/2025
Agency Approval:	Shauna Bilyeu	Phone: (360)418-0402	Date: 01/08/2025
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 01/09/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill does not have a fiscal impact on CDHY.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 370-Eastern Washington University

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	120,000	120,000	240,000	240,000	240,000
Total $	120,000	120,000	240,000	240,000	240,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Tammy Felicijan	Phone: (509) 359-7364	Date: 01/10/2025
Agency Approval:	Tammy Felicijan	Phone: (509) 359-7364	Date: 01/10/2025
OFM Review:	Ramona Nabors	Phone: (360) 742-8948	Date: 01/15/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill requires developers of a generative artificial intelligence system or service released on or after January 1, 2022 that is made publicly available to Washingtonians for use to post on the developer's internet website documentation regarding the data used by the developer to train the generative artificial intelligence system or service. This includes a high level summary of the datasets used such as sources, descriptions of the purposes, number and types of datasets, copyrights, licenses, processing of datasets, time periods of collection, as well as other pertinent disclosure information. Violation of this requirement would make developers liable for a civil penalty of $5,000 per violation. Each day in violation is considered a discrete violation.

It is unclear if the meaning of "publicly available to Washingtonians" includes students using various tools such as Microsoft for Copilot, Google for Gemini, etc. However, Eastern believes that interaction with internally developed/custom Artificial Intelligence tools used for recruiting, fund raising, or other interactions with the public would meet the definitions outlined in this bill. Also included would be any AI research projects that are made publicly available. With the acceleration of AI creation for items such as specialized bots, workflows, and chat bots, used in regular business activities, costs for compliance could also accelerate.

It is difficult to estimate the cost of compliance. Eastern would likely need a compliance officer, whether in IT or Risk and Compliance, to manage the work. It would also raise the price of vendor contracts.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Contracts with third-party vendors for creation of Artificial Intelligence tools would increase related to the requirement to collection dataset inputs for posting disclosures to EWU's website.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	120,000	120,000	240,000	240,000	240,000
		Total $	120,000	120,000	240,000	240,000	240,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	90,000	90,000	180,000	180,000	180,000
B-Employee Benefits	30,000	30,000	60,000	60,000	60,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	120,000	120,000	240,000	240,000	240,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Compliance Manager - AI	90,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 375-Central Washington University

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Alexa Orcutt	Phone: 5099632955	Date: 01/10/2025
Agency Approval:	Lisa Plesha	Phone: (509) 963-1233	Date: 01/10/2025
OFM Review:	Ramona Nabors	Phone: (360) 742-8948	Date: 01/15/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 (New): Defines the following terms: aggregate consumer information; artificial intelligence (AI); developer; generative artificial intelligence; security and integrity; substantially modifies; synthetic data generation; and train a generative artificial intelligence system or service.

Section 2 (New): (1) On or before January 1, 2026, and before each subsequent release of a generative AI system or substantial modification to a system, released on/after January 1, 2022, and made publicly available to Washingtonians, developers must post documentation on their website regarding the data used to train the system. This documentation must include (but not limited to) a high-level summary of the datasets, their sources, purposes, number of data points, types of data points, and information on whether the datasets include copyrighted or personal information, aggregate consumer information, or synthetic data. Additionally, it should detail any processing or modifications to the datasets, the timeframe of data collection, and the dates the datasets were first used. (2) Exceptions to this requirement apply to generative AI systems solely for security and integrity, aircraft operation in national airspace, or national security, military, or defense purposes made available only to a federal entity.

Section 3 (New): The AG will enforce this chapter and there will be penalties for developers that violate this chapter.

Section 4 (New): The new sections constitute a new chapter in Title 19 RCW.

Currently, CWU believes the language of the bill is too vague to give a determinate answer regarding if this will cause a fiscal impact to our university. To our knowledge, we aren't a developer of artificial intelligence.

If the proposed house bill 1168 were to pass and we were to purchase products that have artificial intelligence capabilities, we assume the fiscal liability for possible violations described in this proposed bill will fall to the vendor as the developer.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 405-Department of Transportation

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Bob Loveless	Phone: 360-705-7860	Date: 01/14/2025
Agency Approval:	Matthew Modarelli	Phone: 360-705-7601	Date: 01/14/2025
OFM Review:	Maria Thomas	Phone: (360) 229-4717	Date: 01/14/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached fiscal note

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: HB-1168	Title: Transparency in Artificial Intelligence	Agency: 405-Department of Transportation

Part I: Estimates

☒ No Fiscal Impact (Explain required in section II. A)
☐ Indeterminate Cash Receipts Impact (Explain in section II. B)
☐ Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
☐ Indeterminate Expenditure Impact (Explain in section II. C)
☐ Partially Indeterminate Expenditure Impact (Explain in section II. C)

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
☐ Capital budget impact, **complete Part IV**
☐ Requires new rule making, **complete Part V**
☐ Revised

Fiscal Detail
N/A

Agency Assumptions

N/A

Agency Contacts:

Preparer: Bob Loveless	Phone: 360-705-7716	Date:01/09/25
Approval: Matt Modarelli	Phone: 360-790-4980	Date: 01/10/25
Budget Manager: My-Hanh Mai	Phone: 360-705-7545	Date: 01/10/25

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact

House Bill 1168 requires developers of generative Artificial Intelligence (AI) systems to publicly disclose detailed information about the datasets used to train these systems by January 1, 2026, to enhance transparency and accountability in AI development. Certain AI systems, such as those for national security or aircraft operations, are exempt, and non-compliance will result in civil penalties enforced by the Office of Attorney General. The bill aims to ensure AI technologies are developed responsibly and used in an informed, transparent manner.

House Bill 1168 has **no fiscal impact** on WSDOT because the department does not currently develop or utilize AI models trained on WSDOT data or created internally. WSDOT's existing applications rely on commercially available AI tools that are externally developed and managed, exempting the agency from the disclosure requirements of the bill.

II. B – Cash Receipts Impact

N/A

II. C - Expenditures

N/A

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

N/A

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

N/A

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 406-County Road Administration Board

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Drew Woods	Phone: 360-753-5989	Date: 01/15/2025
Agency Approval:	Drew Woods	Phone: 360-753-5989	Date: 01/15/2025
OFM Review:	Maria Thomas	Phone: (360) 229-4717	Date: 01/15/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The County Road Administration Board does not currently utilize any generative AI products nor do we have any plans to make any generative AI products available to the public.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: 461-Department of Ecology

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/07/2025
Agency Preparation:	Allen Robbins	Phone: 360-706-3043	Date: 01/10/2025
Agency Approval:	Garret Ward	Phone: 360-789-7938	Date: 01/10/2025
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 01/16/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill relates to increasing transparency in artificial intelligence and would add a new chapter to Title 19 RCW: Business Regulations - Miscellaneous and would prescribe penalties.

Section 1 adds a definitions section.

Section 2(1) states that on or before January 1, 2026, and before each time thereafter that a generative artificial intelligence system or service, or a substantial modification to a generative artificial intelligence system or service, released on or after January 1, 2022, is made publicly available to Washingtonians for use, regardless of whether the terms of that use include compensation, the developer of the system or service shall post on the developer's internet website documentation regarding the data used by the developer to train the generative artificial intelligence system or service.

Section 2(2) states that a developer would not be required to post documentation regarding the data used to train a generative artificial intelligence system or service if, a) the sole purpose is to help ensure security and integrity; b) the sole purpose is the operation of aircraft in the national airspace; or c) if the generative artificial intelligence system or service developed for national security, military, or defense purposes that is made available only to a federal entity.

Section 3 states that the attorney general shall enforce this chapter and may impose penalties when a developer is found in violation.

Ecology does not currently develop generative artificial intelligence products and therefore this bill would have no new fiscal impact to Ecology.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1168 HB	Title: Artificial intelligence info	Agency: SDF-School District Fiscal Note - SPI

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This legislation requires developers, including state and local governments, of generative artificial intelligence to make available documentation regarding the data used by the developer to train generative artificial intelligence.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

There is no impact to cash receipts.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

We do not see any fiscal impact to school districts. They have little to no engagement in this activity.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

There is no capital budget impact.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.