Individual State Agency Fiscal Note

Bill Number: 2503 HB	Title: AI training data	Agency: 100-Office of Attorney General

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	0.0	0.7	0.4	0.5	0.0
Account					
General Fund-State 001-1	0	66,000	66,000	132,000	0
Total $	0	66,000	66,000	132,000	0

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.

Section 1: New Section. Definitions.

Section 2: New Section. Providing that before January 1, 2027, and each time a generative artificial intelligence (AI) is made publicly available to Washingtonians for use, the developer of the system shall post on the developer's internet website documentation regarding the data used by the developer to train the generative AI system including, but not limited to, a high-level summary of the datasets used in the development of the generative AI system; specifying the contents of that summary; exempting developers that train generative AI systems for security and integrity, aircraft, and national security; exempting generative AI systems that are subject to the Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et seq.

Section 3: New Section. Providing that Section 2 of this Act to be construed to require developers to comply based on the generally acknowledged state of the art.

Section 4: New Section. Making a violation of this chapter an unfair or deceptive act in trade or commerce and an unfair method of competition for purposes of applying the Consumer Protection Act, chapter 19.86 RCW.

Section 5: New Section. Making Sections 1 through 4 of this Act 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.

There is no cash receipt impact. The Attorney General's Office (AGO) Consumer Protection Division (CPR) activities require General Fund-State. CPR enforces the Consumer Protection Act (CPA) against entities who violate RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR's focus is on holding businesses and individuals accountable for conduct that misleads consumers.

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.

Attorney General’s Office (AGO) Agency Assumptions:

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Consumer Protection Division (CPR) Legal Services:

CPR has reviewed this bill and assumes that the effective date of January 1, 2027, will allow industry participants additional time following passage to come into compliance. CPR assumes the industry will come into compliance, as has occurred in other states that have passed similar legislation. CPR also assumes enforcement activity during the first 18

months after the effective date will take the form of monitoring for compliance and opening one to two investigations, with no litigation activity. CPR assumes monitoring for compliance, and potentially opening new investigations will require: AAGs to investigate potential violations, draw conclusions from investigation, draft Criminal Investigative Demands (CID)/discovery requests, and engage in settlement negotiations; an Investigator FTE (INV) to interview witnesses, review investigative records, and engage in other investigative tasks as assigned; and lastly a Paralegal 2 FTE (PL2) to assist with CID preparation, document management, and engage in other tasks as assigned. CPR assumes that after the first 18 months of HB 2503's enactment the industry will come into full or nearly full compliance, requiring no further enforcement activity by CPR.

CPR total workload hours:
FY 2026: 0
FY 2027: 225 AAG hours, 225 INV hours, and 90 PL2 hours
FY 2028: 450 AAG hours, 450 INV hours, and 180 PL2 hours
FY 2029 and in each FY thereafter: 0

CPR total King County workload impact:
FY 2026: $0
FY 2027: $66,000 for 0.2 AAG, 0.1 PL1, 0.1 PL2, 0.2 INV which includes direct litigation costs of $1,000
FY 2028: $132,000 for 0.3 AAG, 0.2 PL1, 0.1 PL2, 0.3 INV, which includes direct litigation costs of $1,000
FY 2029 and in each FY thereafter: $0

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	0	66,000	66,000	132,000	0
		Total $	0	66,000	66,000	132,000	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.7	0.4	0.5	
A-Salaries and Wages		46,000	46,000	92,000	
B-Employee Benefits		12,000	12,000	24,000	
C-Professional Service Contracts		1,000	1,000	1,000	
E-Goods and Other Services		7,000	7,000	14,000	
G-Travel				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					
9-					
Total $	0	66,000	66,000	132,000	0

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
Assistant Attorney General King County	146,616		0.2	0.1	0.2	
Management Analyst 5	100,001		0.1	0.1	0.1	
Paralegal 1 King County	784,863		0.1	0.1	0.1	
Paralegal 2 King County	86,561		0.1	0.1	0.1	
Senior Investigator King County	113,636		0.2	0.1	0.2	
Total FTEs			0.7	0.4	0.5	0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Consumer Protection Division (CPR) (CPR)		66,000	66,000	132,000	
Total $		66,000	66,000	132,000	

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.