H-1791.1

SUBSTITUTE HOUSE BILL 1833

State of Washington   **69th Legislature**   **2025 Regular Session**

By House Appropriations (originally sponsored by Representatives Keaton, Barnard, Penner, Eslick, and Salahuddin)

READ FIRST TIME 02/28/25.

1   AN ACT Relating to creating an artificial intelligence grant
2 program to promote the economic development of innovative uses of
3 artificial intelligence; amending 2024 c 163 s 2 (uncodified); adding
4 new sections to chapter 43.330 RCW; and creating new sections.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6   NEW SECTION. **Sec. 1.**   The legislature recognizes that fostering
7 technological innovation is essential for Washington state's economic
8 growth and long-term competitiveness. By investing in emerging
9 technologies, including artificial intelligence, the state can access
10 new sources of revenue, create high paying jobs, and position itself
11 as a national leader in cutting-edge industries. Artificial
12 intelligence-driven solutions have the potential to address critical
13 statewide challenges, such as predicting and managing wildfires,
14 improving the effectiveness of cybersecurity, and improving public
15 health responses. Supporting the development of these technologies
16 will not only strengthen Washington's economy, but also enhance
17 public safety and government efficiency.
18   Therefore, the legislature intends to establish an innovation
19 grant program to support organizations that create transformative new
20 technologies. These grants will provide critical funding to startups,
21 research institutions, and companies working on advancements with

1 broad public benefits, ensuring that Washington remains at the
2 forefront of technological progress. By encouraging innovation, this
3 act will drive economic expansion, attract private investment, and
4 equip the state with cutting-edge tools to address its most pressing
5 challenges.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
7 RCW to read as follows:
8   (1) Subject to the availability of amounts appropriated for this
9 specific purpose, the department shall establish the spark act grant
10 program to promote the economic development of innovative uses of
11 artificial intelligence.
12   (2) The department shall solicit input from the artificial
13 intelligence task force, created in chapter 163, Laws of 2024, no
14 less than once per year through 2027, to identify state priorities to
15 form the basis of the grants. When the department evaluates
16 applications, it shall prioritize:
17   (a) An applicant that has committed to ethical uses of artificial
18 intelligence;
19   (b) An applicant that has analyzed the risks associated with its
20 product;
21   (c) Small businesses; and
22   (d) Projects with statewide impact.
23   (3) The department shall award grants on at least an annual
24 basis.
25   (4) The department shall pursue all available opportunities for
26 federal funding and solicit private donations for the spark act grant
27 program account created in section 4 of this act.
28   (5) Eligible applicants shall apply for the grant program in a
29 manner to be determined by the department. To be eligible, an
30 applicant's proposal must include technology that will be shared with
31 the state and provide a state benefit, such as wildfire tracking,
32 cybersecurity, or health care advancements.
33   (6) The department shall identify relevant federal grants related
34 to the economic development of innovative uses of artificial
35 intelligence in its inventory of grant opportunities required by RCW
36 43.330.260.
37   (7) For the purposes of this section, "artificial intelligence"
38 means the use of machine learning and related technologies that use
39 data to train statistical models for the purpose of enabling computer

systems to perform tasks normally associated with human intelligence
or perception, such as computer vision, speech or natural language
processing, and content generation.

(8) The department may adopt rules to implement this section.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330
RCW to read as follows:

(1) Beginning October 31, 2027, the department shall report on
the spark act grant program established in section 2 of this act. The
report must be updated every two years, posted on the department's
website, and transmitted to the governor and the legislature in
accordance with RCW 43.01.036.

(2) The report must identify the: Priorities identified for the
reporting period; number of applications received by the department;
number and amount of grants awarded; types of projects supported by
the grants; and source of revenues for the grants.

NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330
RCW to read as follows:

(1) The spark act grant program account is created in the custody
of the state treasurer. Revenues to the account consist of
appropriation by the legislature, donated funds from private and
public sources, federal funding, and all other sources deposited in
the fund.

(2) Expenditures from the account may be used only for the spark
act grant program under section 2 of this act, including
administrative expenses. Only the director of the department, or the
director's designee, may authorize expenditures from the account. The
account is subject to the allotment procedures under chapter 43.88
RCW, but an appropriation is not required for expenditures.

Sec. 5. 2024 c 163 s 2 (uncodified) is amended to read as
follows:

(1) Subject to the availability of amounts appropriated for this
specific purpose, a task force to assess current uses and trends and
make recommendations to the legislature regarding guidelines and
potential legislation for the use of artificial intelligence systems
is established.

(2) The task force is composed of an executive committee
consisting of members as provided in this subsection.

(a) The president of the senate shall appoint one member from each of the two largest caucuses of the senate.

(b) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives.

(c) The attorney general shall appoint the following members, selecting only individuals with experience in technology policy:

(i) One member from the office of the governor;

(ii) One member from the office of the attorney general;

(iii) One member from Washington technology solutions;

(iv) One member from the Washington state auditor;

(v) One member representing universities or research institutions that are experts in the design and effect of an algorithmic system;

(vi) One member representing private technology industry groups;

(vii) One member representing business associations;

(viii) Three members representing community advocate organizations that represent communities that are disproportionately vulnerable to being harmed by algorithmic bias;

(ix) One member representing the LGBTQ+ community;

(x) One member representing the retail industry;

(xi) One member representing the hospitality industry;

(xii) One member representing statewide labor organizations; and

(xiii) One member representing public safety.

(d) The task force may meet in person or by telephone conference call, videoconference, or other similar telecommunications method, or a combination of such methods.

(e) The executive committee may convene subcommittees to advise the task force on the recommendations and findings set out in subsection (4) of this section.

(i) The executive committee shall define the scope of activity and subject matter focus required of the subcommittees including, but not limited to: Education and workforce development; public safety and ethics; health care and accessibility; labor; government and public sector efficiency; state security and cybersecurity; consumer protection and privacy; and industry and innovation.

(ii) Subcommittees and their members may be invited to participate on an ongoing, recurring, or one-time basis.

(iii) The executive committee in collaboration with the attorney general shall appoint members to the subcommittees that must be comprised of industry participants, subject matter experts,

1 representatives of federally recognized tribes, or other relevant
2 stakeholders.

3 (iv) Each subcommittee must contain at least one member
4 possessing relevant industry expertise and at least one member from
5 an advocacy organization that represents communities that are
6 disproportionately vulnerable to being harmed by algorithmic bias
7 including, but not limited to: African American; Hispanic American;
8 Native American; Asian American; Native Hawaiian and Pacific Islander
9 communities; religious minorities; individuals with disabilities; and
10 other vulnerable communities.

11 (v) Meeting summaries and reports delivered by the subcommittees
12 to the executive committee must be made available on the attorney
13 general's website within 30 days of delivery.

14 (vi) The executive committee shall identify and direct the
15 appropriate subcommittee to provide input, no less than once per
16 year, to assist the department of commerce in the identification of
17 state priorities to form the basis of the spark act grants that will
18 promote the economic development of innovative uses of artificial
19 intelligence, pursuant to section 2 of this act.

20 (3) The office of the attorney general must administer and
21 provide staff support for the task force. The office of the attorney
22 general may, when deemed necessary by the task force, retain
23 consultants to provide data analysis, research, recommendations,
24 training, and other services to the task force for the purposes
25 provided in subsection (4) of this section. The office of the
26 attorney general may work with the task force to determine
27 appropriate subcommittees as needed.

28 (4) The executive committee and subcommittees of the task force
29 shall examine the development and use of artificial intelligence by
30 private and public sector entities and make recommendations to the
31 legislature regarding guidelines and potential legislation for the
32 use and regulation of artificial intelligence systems to protect
33 Washingtonians' safety, privacy, and civil and intellectual property
34 rights. The task force findings and recommendations must include:

35 (a) A literature review of public policy issues with artificial
36 intelligence, including benefits and risks to the public broadly,
37 historically excluded communities, and other identifiable groups,
38 racial equity considerations, workforce impacts, and ethical
39 concerns;

(b) A review of existing protections under state and federal law for individual data and privacy rights, safety, civil rights, and intellectual property rights, and how federal, state, and local laws relating to artificial intelligence align, differ, conflict, and interact across levels of government;

(c) A recommended set of guiding principles for artificial intelligence use informed by standards established by relevant bodies, including recommending a definition for ethical artificial intelligence and guiding principles;

(d) Identification of high-risk uses of artificial intelligence, including those that may negatively affect safety or fundamental rights;

(e) Opportunities to support and promote the innovation of artificial intelligence technologies through grants and incentives;

(f) Recommendations on appropriate uses of and limitations on the use of artificial intelligence by state and local governments and the private sector;

(g) Recommendations relating to the appropriate and legal use of training data;

(h) Algorithmic discrimination issues which may occur when artificial intelligence systems are used and contribute to unjustified differential treatment or impacts disfavoring people on the basis of race, color, national origin, citizen or immigration status, families with children, creed, religious belief or affiliation, sex, marital status, the presence of any sensory, mental, or physical disability, age, honorably discharged veteran or military status, sexual orientation, gender expression or gender identity, or any other protected class under RCW 49.60.010 and recommendations to mitigate and protect against algorithmic discrimination;

(i) Recommendations on minimizing unlawful discriminatory or biased outputs or applications;

(j) Recommendations on prioritizing transparency so that the behavior and functional components artificial intelligence can be understood in order to enable the identification of performance issues, safety and privacy concerns, biases, exclusionary practices, and unintended outcomes;

(k) Racial equity issues posed by artificial intelligence systems and ways to mitigate the concerns to build equity into the systems;

(l) Civil liberties issues posed by artificial intelligence systems and civil rights and civil liberties protections to be incorporated into artificial intelligence systems;

(m) Recommendations as to how the state should educate the public on the development and use of artificial intelligence, including information about data privacy and security, data collection and retention practices, use of individual data in machine learning, and intellectual property considerations regarding generative artificial intelligence;

(n) A review of protections of personhood, including replicas of voice or likeness, in typical contract structures, and a review of artificial intelligence tools used to support employment decisions;

(o) Proposed state guidelines for the use of artificial intelligence to inform the development, deployment, and use of artificial intelligence systems to:

(i) Retain appropriate human agency and oversight;

(ii) Be subject to internal and external security testing of systems before public release for high-risk artificial intelligence systems;

(iii) Protect data privacy and security;

(iv) Promote appropriate transparency for consumers when they interact with artificial intelligence systems or products created by artificial intelligence; and

(v) Ensure accountability, considering oversight, impact assessment, auditability, and due diligence mechanisms;

(p) A review of existing civil and criminal remedies for addressing potential harms resulting from the use of artificial intelligence systems and recommendations, if needed, for new means of enforcement and remedies; and

(q) Recommendations for establishing an ongoing committee that must study emerging technologies not limited to artificial technology.

(5) The executive committee of the task force must hold its first meeting within 45 days of final appointments to the task force and must meet at least twice each year thereafter. The task force must submit reports to the governor and the appropriate committees of the legislature detailing its findings and recommendations. A preliminary report must be delivered by December 31, 2024, an interim report by December 1, 2025, and a final report by July 1, 2026. Meeting

summaries must be posted to the website of the attorney general's office within 30 days of any meeting by the task force.

(6) Legislative members of the task force shall be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.

(7) To ensure that the task force has diverse and inclusive representation of those affected by its work, task force members, including subcommittee members, whose participation in the task force may be hampered by financial hardship and may be compensated as provided in RCW 43.03.220.

(8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Artificial intelligence" means the use of machine learning and related technologies that use data to train statistical models for the purpose of enabling computer systems to perform tasks normally associated with human intelligence or perception, such as computer vision, speech or natural language processing, and content generation.

(b) "Generative artificial intelligence" means an artificial intelligence system that generates novel data or content based on a foundation model.

(c) "Machine learning" means the process by which artificial intelligence is developed using data and algorithms to draw inferences therefrom to automatically adapt or improve its accuracy without explicit programming.

(d) "Training data" means labeled data that is used to teach artificial intelligence models or machine learning algorithms to make proper decisions. Training data may include, but is not limited to, annotated text, images, video, or audio.

(9) This section expires June 30, 2027.

NEW SECTION. **Sec. 6.** This act may be known and cited as the spark act.

NEW SECTION. **Sec. 7.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not

1   provided by June 30, 2025, in the omnibus appropriations act, this
2   act is null and void.

<p align="center">--- **END** ---</p>