STATE OF NEW YORK

9450--A

Cal. No. 1407

IN SENATE

May 15, 2024

Introduced by Sen. GONZALEZ -- read twice and ordered printed, and when printed to be committed to the Committee on Internet and Technology -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the general business law, in relation to requiring warnings on generative artificial intelligence systems

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general business law is amended by adding a new section 399-zzzzzz to read as follows:

§ 399-zzzzzz. Warnings on generative artificial intelligence systems. 1. As used in this section the following terms shall have the following meanings:

(a) "Generative artificial intelligence system" shall mean any artificial intelligence system whose primary function is to generate content, which can take the form of code, text, images, and more.

(b) "Artificial intelligence" shall mean a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. Artificial intelligence systems use machine- and human-based inputs to perceive real and virtual environments; abstract such perceptions into models through analysis in an automated manner; and use model inference to formulate options for information or action. This definition includes but is not limited to systems that use machine learning, large language model, natural language processing, and computer vision technologies, including generative AI.

2. The owner, licensee or operator of a generative artificial intelligence system shall conspicuously display a warning on the system's user interface that is reasonably calculated to consistently apprise the user that the outputs of the generative artificial intelligence system may be inaccurate and/or inappropriate.

3. Where such owner, licensee or operator of a generative artificial intelligence system fails to provide the warning required in subdivision

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD15438-05-4

two of this section, such owner, licensee or operator shall be assessed a civil penalty of the lesser of twenty-five dollars per user of such system or one hundred thousand dollars. Each calendar year during which a violation continues shall constitute a separate violation.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.