STATE OF NEW YORK

11636

IN ASSEMBLY

July 29, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Wright) -- read once and referred to the Committee on Science and Technology

AN ACT to amend the general business law and the public officers law, in relation to third party verification of compliance with transparency and safety requirements for developers of artificial intelligence models

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

Section 1. Section 1420 of the general business law is amended by adding a new subdivision 17 to read as follows:

17. "Third party verifier" means a person, other than an affiliate of a large frontier developer, who is retained, contracted, or otherwise engaged by a large frontier developer to verify such developer's compliance with such developer's frontier AI framework.

§ 2. Sections 1425, 1426, 1427, 1428 and 1429 of the general business law are renumbered sections 1426, 1427, 1428, 1429 and 1430 respectively, and a new section 1425 is added to read as follows:

§ 1425. Third party verification. 1. A large frontier developer shall annually retain, contract, or otherwise engage a third party verifier to produce a report assessing the following:

(a) whether a large frontier developer has complied with its frontier AI framework as well as any instances of noncompliance with such framework;

(b) where such AI framework may require additional clarity and detail in order to better assess compliance;

(c) whether any redactions made by the large frontier developer pursuant to subdivision five of section fourteen hundred twenty-one of this article are in compliance with such subdivision;

(d) whether any statements made by the large frontier developer to the public, office, attorney general, or to other governmental entities regarding catastrophic risk from such developer's frontier model, such developer's management of such risk, and/or such developer's compliance with such developer's frontier AI framework are inconsistent with the findings of the third party verifier's report.

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

LBD15827-02-6

2. A large frontier developer shall grant the third party verifier access to:

(a) All materials submitted to the office pursuant to this article;

(b) Unredacted versions of all documents published by the large frontier developer pursuant to section fourteen hundred twenty-one of this article; and

(c) Any other materials reasonably necessary to perform the assessment provided in subdivision one of this section.

3. In retaining, contracting, or otherwise engaging a third party verifier, a large frontier developer shall not condition any payment or form of compensation to a third party verifier upon the results of such verifier's assessment.

4. Prior to January first, two thousand twenty-nine, a large frontier developer may retain, contract, or otherwise engage a third party verifier of their choosing, provided that such developer may not retain, contract, or otherwise engage a third party verifier with a financial stake in such developer, nor may they retain, contract, or otherwise engage a third party verifier in which such developer has a financial stake.

5. A large frontier developer shall retain the third party verifier's report provided in subdivision one of this section for a minimum of five years and shall allow the office or the attorney general to inspect an unredacted version of such report upon request.

6. The third party verifier shall conspicuously publish a summary of the verifier's report within sixty days of such report's completion. Such publication shall not contain any information that would jeopardize the large frontier developer's trade secrets, cybersecurity, public safety, or the national security of the United States.

7. A large frontier developer shall clearly and conspicuously publish a link on its internet website to the summary provided in subdivision six of this section within fifteen days of a third party verifier's publication of such summary.

8. No later than July first, two thousand twenty-eight, the office shall adopt regulations to:

(a)(i) Establish a process by which the office accredits third party verifiers under this section. Such accreditation shall be conditioned upon:

(A) sufficient expertise amongst the personnel retained, contracted, or otherwise engaged by the third party verifier to verify frontier developers' compliance with such developers' frontier AI frameworks, including expertise in corporate compliance and technical expertise in foundation and frontier model safety; and

(B) the verifier's ability to address potential conflicts of interest that may undermine the integrity, quality, and/or independence of such verification.

(ii) Such regulations shall also prescribe the circumstances under which and procedure by which the office may revoke accreditation.

(iii) The office may place requirements on accredited third party verifiers as they deem reasonably necessary to ensure the integrity, quality, and/or independence of the verification process, including prohibiting the employees of the third party verifier from being employed by a frontier developer for a period of time after such employees' employment with the third party verifier;

(b) Stipulate the level of access that large frontier developers must provide to third party verifiers to enable a meaningful assessment of compliance with such developers' frontier AI frameworks;

(c) Ensure the protection of a large frontier developer's trade secrets and cybersecurity;

(d) Stipulate the minimum amount of information that a third party verifier must include in its report of compliance assessment; and

(e) Stipulate the required content and permissible redactions of summaries provided pursuant to subdivision six of this section.

9. On and after January first, two thousand twenty-nine, a large frontier developer may retain, contract, or otherwise engage no third party verifier for the annual report required in subdivision one of this section other than a third party verifier who has been accredited by the office pursuant to regulations promulgated under subdivision eight of this section.

10. The office shall review the regulations promulgated under this section on an annual basis. Where the office deems necessary, the office shall update such regulations to account for changes in the third party verifier market, any verification gaps that have been identified over the course of implementation, and/or changes to scientific understanding of catastrophic risk that have developed since the last update to such regulations.

§ 3. Subdivision 1 of section 1428 of the general business law, as added by chapter 96 of the laws of 2026, and such section as renumbered by section two of this act, is amended to read as follows:

1. The attorney general may bring a civil action to recover a civil penalty in an amount not to exceed one million dollars for a first violation and in an amount not to exceed three million dollars per subsequent violation, determined based on the severity of the violation where a large frontier developer fails to publish or transmit a compliant document required to be published or transmitted under this article, makes a statement in violation of subdivision four of section fourteen hundred twenty-one of this article, fails to report an incident as required by section fourteen hundred twenty-two of this article, [~~or~~] fails to comply with its own frontier AI framework, or fails to comply with section fourteen hundred twenty-five of this article.

§ 4. Subdivision 2 of section 87 of the public officers law is amended by adding a new paragraph (w) to read as follows:

(w) is a report produced by a third party verifier under section fourteen hundred twenty-five of the general business law.

§ 5. Severability. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part thereof directly involved in the controversy in which such judgment shall have been made.

§ 6. This act shall take effect on the thirtieth day after it shall have become a law; provided, however, that if article 44-B of the general business law, as added by chapter 96 of the laws of 2026, shall not have taken effect on or before such date then this act shall take effect thirty days after such article takes effect.