STATE OF NEW YORK

10733

IN SENATE

November 6, 2026

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the general business law, in relation to establishing the understanding artificial intelligence act

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 article 45-C to read as follows:

ARTICLE 45-C
UNDERSTANDING ARTIFICIAL INTELLIGENCE ACT

Section 1550. Short title.
1551. Definitions.
1552. Artificial intelligence; liability for injuries.

§ 1550. Short title. This act shall be known and may be cited as the "understanding artificial intelligence act".

§ 1551. Definitions. For purposes of this article, the following terms shall have the following meanings:

1. "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.

2. "Covered model" means an artificial intelligence model trained using a quantity of computing power greater than 10^26 integer or floating-point operations, the cost of which exceeds one hundred million dollars when calculated using the average market prices of cloud compute at the start of training as reasonably assessed by the developer.

3. "Developer" means a person that performs the initial training of a covered model by training a model using a sufficient quantity of computing power and cost.

4. "Fine-tuning" means adjusting the model weights of a trained covered model by exposing it to additional data.

§ 1552. Artificial intelligence; liability for injuries. 1. Except with respect to any causes of action for defamation, developers of

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

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covered models shall be strictly liable, regardless of the degree of care they exercised, for all injuries to a non-user of the covered model that satisfy the actual harm element of an ordinary negligence claim if:

(a) those injuries are factually and proximately caused by a covered model that engages in conduct that, if undertaken by an adult human of sound mind, would satisfy the elements of negligence or any intentional tort or crime; and

(b) that conduct was neither intended nor could have been reasonably anticipated by: (i) the user of the model; or (ii) any intermediary that fine-tuned, scaffolded, or otherwise modified the model.

2. (a) For the purposes of this section, for any torts for which the mental state of the alleged tortfeasor is relevant to elements of the tort, there shall be a rebuttable presumption that the artificial intelligence system satisfies the relevant mental state if the finder of fact determines by a preponderance of the evidence that, if a natural person under similar circumstances to the artificial intelligence system took actions similar to those taken by the artificial intelligence system, that natural person would have acted with the relevant mental state.

(b) Unless the court determines that the presumption established in paragraph (a) of this subdivision is not applicable, if the party against whom the presumption is invoked presents evidence tending to rebut the presumption established in paragraph (a) of this subdivision, the court shall instruct the finder of fact to find that the presumed facts exist unless the finder of fact is persuaded that the presumed facts do not exist.

(c) For the purposes of this section, it shall not be a defense that artificial intelligence systems are incapable of having mental states.

3. (a) It shall be an affirmative defense to strict liability if the developer establishes that the covered model satisfied the standard of care applicable to humans who perform the same function that the covered model was engaged in performing when its conduct allegedly caused the plaintiff's injury.

(b) It shall be an affirmative defense to strict liability if the developer establishes that the injuries to a non-user as described in this section were a result of a capabilities failure, in which a covered model falls short of performing the intended or reasonably anticipated performance of the user, but the conduct of the system would not satisfy the elements of negligence or any intentional tort or crime if engaged in by an adult human of sound mind.

§ 2. This act shall take effect immediately.