

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2592
(Reference to printed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<Green strikeout in carets>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:
2 Section 1. Title 18, chapter 1, article 1, Arizona Revised
3 Statutes, is amended by adding section 18-105, to read:
4 18-105. Regulation of artificial intelligence systems; budget
5 units; legislative ratification of rules; annual
6 report; definitions
7 A. THE DIRECTOR SHALL REQUIRE EACH BUDGET UNIT TO DO ALL OF THE
8 FOLLOWING:
9 1. IDENTIFY OPPORTUNITIES TO IMPLEMENT ARTIFICIAL INTELLIGENCE
10 SYSTEM SOLUTIONS THAT REDUCE ADMINISTRATIVE BURDENS.
11 2. ELIMINATE REGULATIONS THAT UNNECESSARILY RESTRICT ARTIFICIAL
12 INTELLIGENCE SYSTEM INNOVATION.
13 3. STREAMLINE PROCUREMENT PROCESSES TO ENABLE THE ADOPTION OF
14 ARTIFICIAL INTELLIGENCE SYSTEMS.
15 4. ESTABLISH ENTERPRISE ARTIFICIAL INTELLIGENCE SYSTEM GOVERNANCE
16 TO ENSURE CONSISTENT, EFFICIENT AND APPROPRIATE USE OF ARTIFICIAL
17 INTELLIGENCE TO BETTER ACHIEVE INTERNAL AND EXTERNAL OBJECTIVES.
18 5. REVIEW EXISTING REGULATIONS AFFECTING ARTIFICIAL INTELLIGENCE
19 SYSTEM DEVELOPMENT TO IDENTIFY INSTANCES OF REGULATORY CAPTURE OR NEGATIVE
20 IMPACTS ON COMPETITION AND INNOVATION.
21 6. MODIFY OR ELIMINATE ANY ARTIFICIAL INTELLIGENCE SYSTEM
22 REGULATION THAT CREATES UNREASONABLE BARRIERS TO ARTIFICIAL INTELLIGENCE
23 SYSTEM INNOVATION.
24 B. IN IMPLEMENTING AN ARTIFICIAL INTELLIGENCE SYSTEM, EACH BUDGET
25 UNIT SHALL:
26 1. FOCUS ON REDUCING COSTS AND IMPROVING SERVICE DELIVERY.
27 2. NOT CREATE NEW REGULATORY REQUIREMENTS THAT ARE SOLELY
28 APPLICABLE TO PRIVATE SECTOR ARTIFICIAL INTELLIGENCE SYSTEM DEVELOPMENT.

1 3. USE EXISTING STAFF AND RESOURCES WITHOUT CREATING NEW
2 ADMINISTRATIVE BODIES.

3 C. A BUDGET UNIT MAY NOT ADOPT RULES SPECIFICALLY REGULATING
4 ARTIFICIAL INTELLIGENCE SYSTEMS OR COMPUTATIONAL RESOURCES UNLESS ALL OF
5 THE FOLLOWING APPLY:

6 1. THE LEGISLATURE PROVIDES AN EXPRESS STATUTORY DELEGATION TO
7 ADDRESS A SPECIFIC HARM.

8 2. THE RULE IS THE LEAST RESTRICTIVE MEANS AVAILABLE TO ACHIEVE THE
9 STATUTORY OBJECTIVE.

10 3. THE BENEFIT OF THE RULE CLEARLY ~~[OUTWEIGH]~~ [OUTWEIGHS] IMPACTS
11 ON INNOVATION AND COMPETITION.

12 4. THE RULE DOES NOT CREATE A BARRIER TO MARKET ENTRY OR AN
13 ADVANTAGE TO AN INCUMBENT FIRM.

14 D. ANY EMERGENCY OR TEMPORARY RULE THAT SPECIFICALLY REGULATES
15 ARTIFICIAL INTELLIGENCE SYSTEMS OR COMPUTATIONAL RESOURCES MUST BE
16 APPROVED BY THE LEGISLATURE, SUBJECT TO ALL OF THE FOLLOWING:

17 1. EACH RULE THAT IS IN EFFECT AT THE BEGINNING OF A LEGISLATIVE
18 SESSION MUST RECEIVE A RATIFYING VOTE IN ORDER FOR THE RULE TO REMAIN IN
19 EFFECT AT THE CONCLUSION OF THE LEGISLATIVE SESSION.

20 2. THE LEGISLATURE SHALL SCHEDULE A VOTE ON THE FLOOR OF EACH HOUSE
21 TO RATIFY ALL SUCH RULES WITHIN THE FIRST THIRTY DAYS OF THE LEGISLATIVE
22 SESSION.

23 3. THE LEGISLATURE MAY NOT REQUIRE MORE THAN A SIMPLE MAJORITY VOTE
24 TO RATIFY A RULE.

25 [E. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE DIRECTOR SHALL SUBMIT
26 A REPORT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF
27 REPRESENTATIVES AND THE GOVERNOR, AND SHALL SUBMIT A COPY TO THE SECRETARY
28 OF STATE, REGARDING THE IMPLEMENTATION AND EFFECTIVENESS OF ARTIFICIAL
29 INTELLIGENCE SYSTEMS BY BUDGET UNITS DURING THE PRECEDING FISCAL
30 YEAR. THE REPORT MUST DO ALL OF THE FOLLOWING:

31 1. IDENTIFY EACH BUDGET UNIT THAT IMPLEMENTED AN ARTIFICIAL
32 INTELLIGENCE SYSTEM DURING THE PRECEDING FISCAL YEAR.

33 2. DESCRIBE THE FUNCTION OR ADMINISTRATIVE PROCESS TO WHICH THE
34 ARTIFICIAL INTELLIGENCE SYSTEM WAS APPLIED.

35 3. INCLUDE, TO THE EXTENT PRACTICABLE, QUANTITATIVE AND QUALITATIVE
36 MEASURES OF GOVERNMENT EFFICIENCY RESULTING FROM THE ARTIFICIAL
37 INTELLIGENCE SYSTEM FOR ALL OF THE FOLLOWING:

38 (a) REDUCTIONS IN PROCESSING TIME OR BACKLOGS.

39 (b) COST SAVINGS OR COST AVOIDANCE.

40 (c) IMPROVEMENTS IN SERVICE DELIVERY OR OUTPUT QUALITY.

41 4. IDENTIFY ANY REGULATORY, PROCUREMENT OR OPERATIONAL BARRIERS
42 THAT WERE ENCOUNTERED AND THAT LIMITED THE EFFECTIVE USE OF THE ARTIFICIAL
43 INTELLIGENCE SYSTEM.

44 [E.] [E.] FOR THE PURPOSES OF THIS SECTION:

45 1. "ARTIFICIAL INTELLIGENCE SYSTEM" MEANS ANY MACHINE
46 LEARNING-BASED SYSTEM THAT CAN, FOR A GIVEN SET OF OBJECTIVES, GENERATE

1 OUTPUTS SUCH AS CONTENT, PREDICTIONS, RECOMMENDATIONS OR DECISIONS
2 INFLUENCING PHYSICAL OR VIRTUAL ENVIRONMENTS.

3 2. "COMPUTATIONAL RESOURCE" MEANS ANY TOOL, TECHNOLOGY, SYSTEM OR
4 INFRASTRUCTURE, WHETHER DIGITAL, ANALOG OR QUANTUM, THAT FACILITATES
5 COMPUTATION, DATA PROCESSING, STORAGE, TRANSMISSION, MANIPULATION OR USE
6 OF INFORMATION.

7 3. "CONTENT" MEANS ANY DIGITALLY GENERATED, MANIPULATED OR
8 SYNTHESIZED TEXT, IMAGE, AUDIO RECORDING, VIDEO RECORDING,
9 THREE-DIMENSIONAL MODEL OR INTERACTIVE ELEMENT, OR ANY COMBINATION OF
10 THESE, THAT CAN BE PRODUCED AS OUTPUT BY AN ARTIFICIAL INTELLIGENCE
11 SYSTEM.

12 Enroll and engross to conform

13 Amend title to conform

JUSTIN WILMETH

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