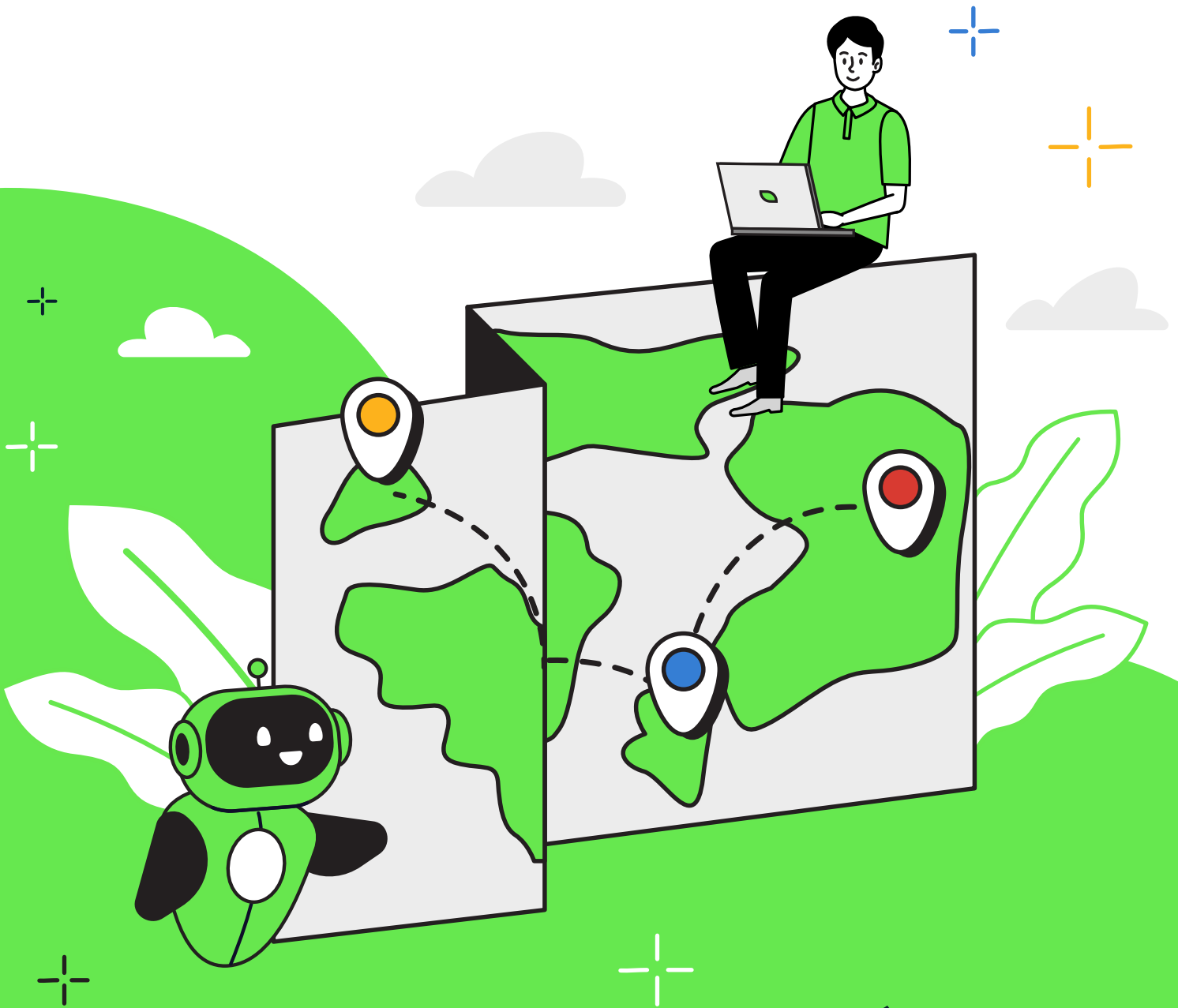


“Map” Your Legal Risk

Key AI Regulations by State

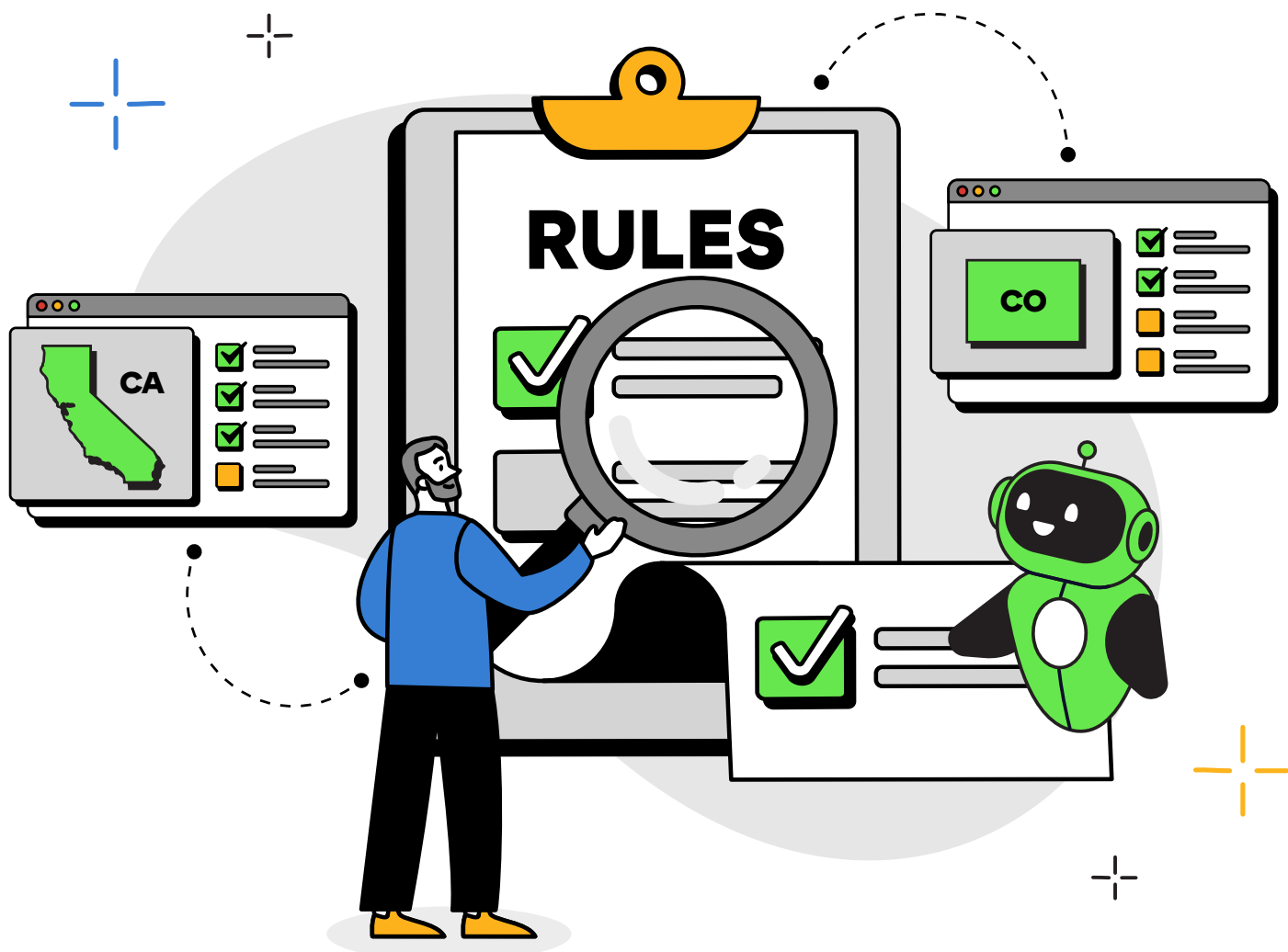


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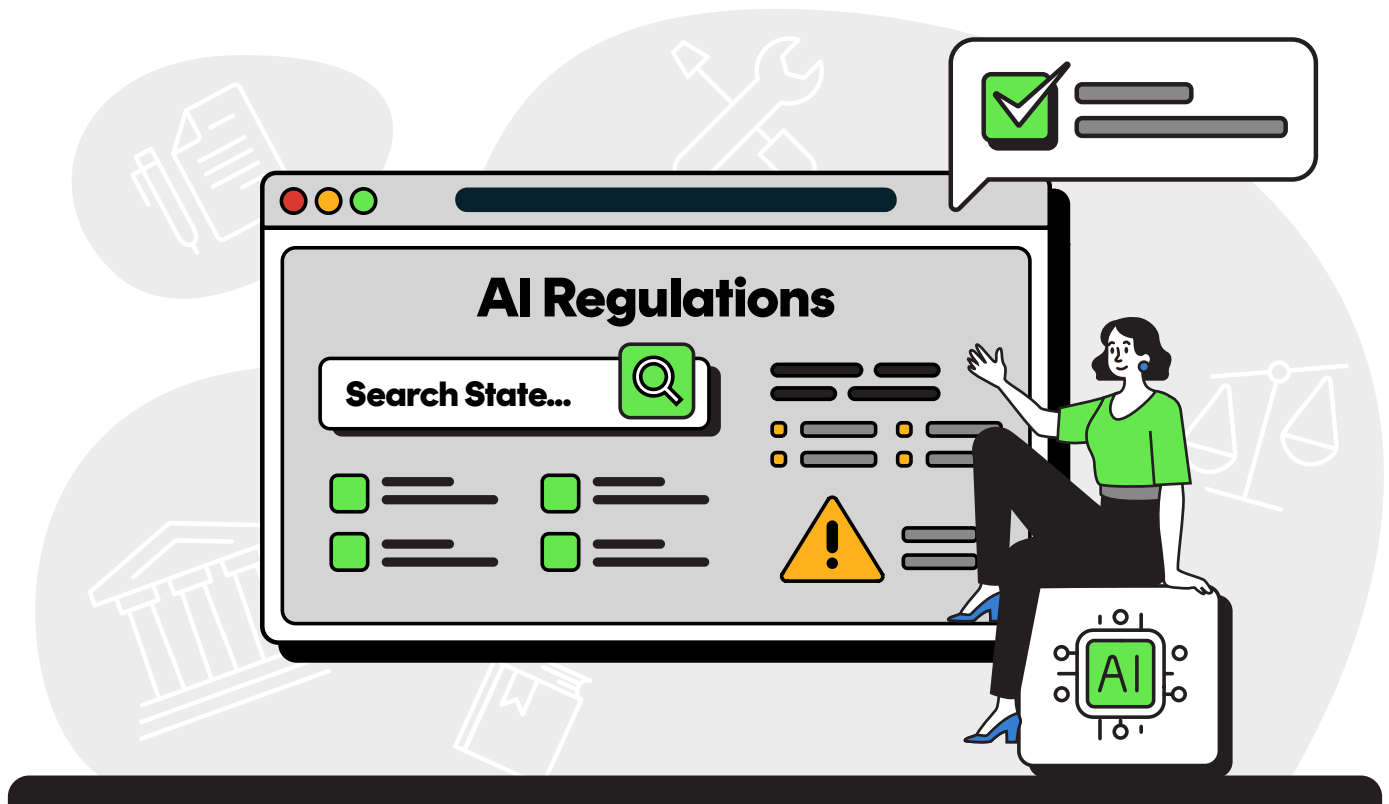


As of early 2025, over [75 AI-related measures](#) have been adopted across 28 states, according to the National Conference of State Legislatures.

From Colorado's bias audit mandates to California's disclosure requirements, businesses are facing a fast-growing, fragmented legal landscape. Regulators aren't waiting to see what might happen. They're already enforcing these rules.

While some states are focusing on algorithmic fairness, others are prioritizing consumer protection. The result? A scattershot approach with inconsistent compliance standards. Operating or hiring across multiple states exposes companies to overlapping or even conflicting obligations.

Mapping your legal risk is a must. It's a proactive step to avoid liability, protect your teams, and adapt to regulations that are moving as fast as the technology.



Your AI Compliance Toolkit

Before diving into the regulations themselves, here's a toolkit you can use to manage risk and educate your workforce proactively.

1 Scan for AI Risk Across Your State

Start by identifying the jurisdiction in which you operate. Even if your headquarters is in one state, you may serve customers or employ people in another. Each location may come with its own set of AI rules.

2 Default to the Strictest Standard

When in doubt, align with the most rigorous law that applies to your situation. If one state requires bias audits for hiring algorithms, treat that as the baseline, even if you're not required to yet.

This model gives your organization flexibility while reducing exposure as new laws emerge.

Tip:

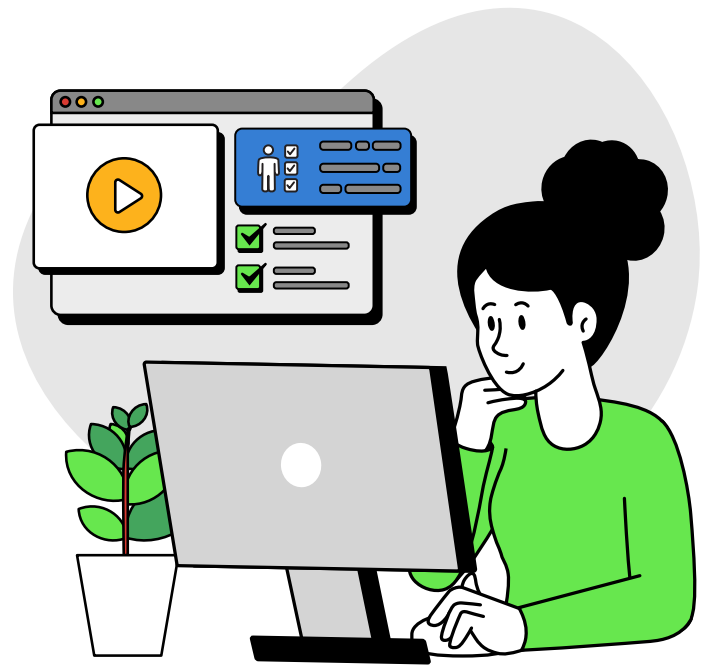
Focus on states like California, Colorado, Utah, and New York City since they have the most active legislation. Texas is one to watch with a major law set to go into effect in 2026.

3 Educate Through Interactive Content

Employees play a critical role in AI compliance. Long PDFs or legal memos will cause most to disengage. Instead, use role-specific training that allows people to understand what's at stake and how to proceed.

- HR teams need to understand hiring tool disclosures.
- Marketing teams should know what counts as AI-generated content.
- IT teams should document AI system inputs and outputs.

Tailor [explainer videos](#) and [microsites](#) by state, team, or tool to keep education practical and relevant.



4 Vet Your Vendors

You must oversee and remain accountable for third-party AI systems. Require vendors to share compliance documentation like audit reports, privacy practices, and disclosures.

Create a shared space where teams can see which tools are approved and why.

5 Keep Pace with Legal Change

AI regulations are moving as fast as the technology. New York's Local Law 144 took effect with just months of notice. Colorado expects its new AI bill to take effect in early 2026. Your business needs a way to stay informed and act quickly.



Tiered Map: AI Regulations by State (as of June 2025)

We've grouped states into four tiers based on the status and business relevance of their AI regulations.

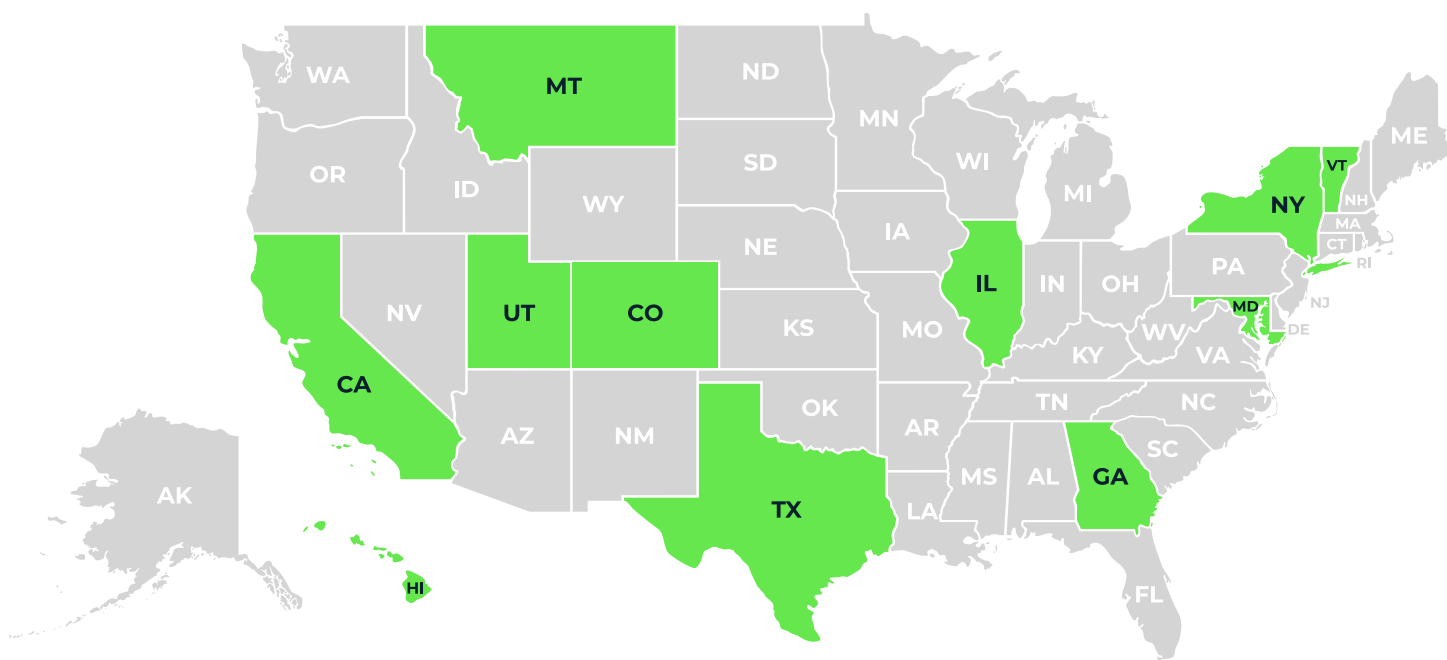
Let's start with those that already have laws on the books.



TIER 1

Enacted AI-Specific Laws or Regulations that Impact Businesses

These states have passed laws that directly affect hiring, benefits, employee data, claims decisions, and the use of AI at work.

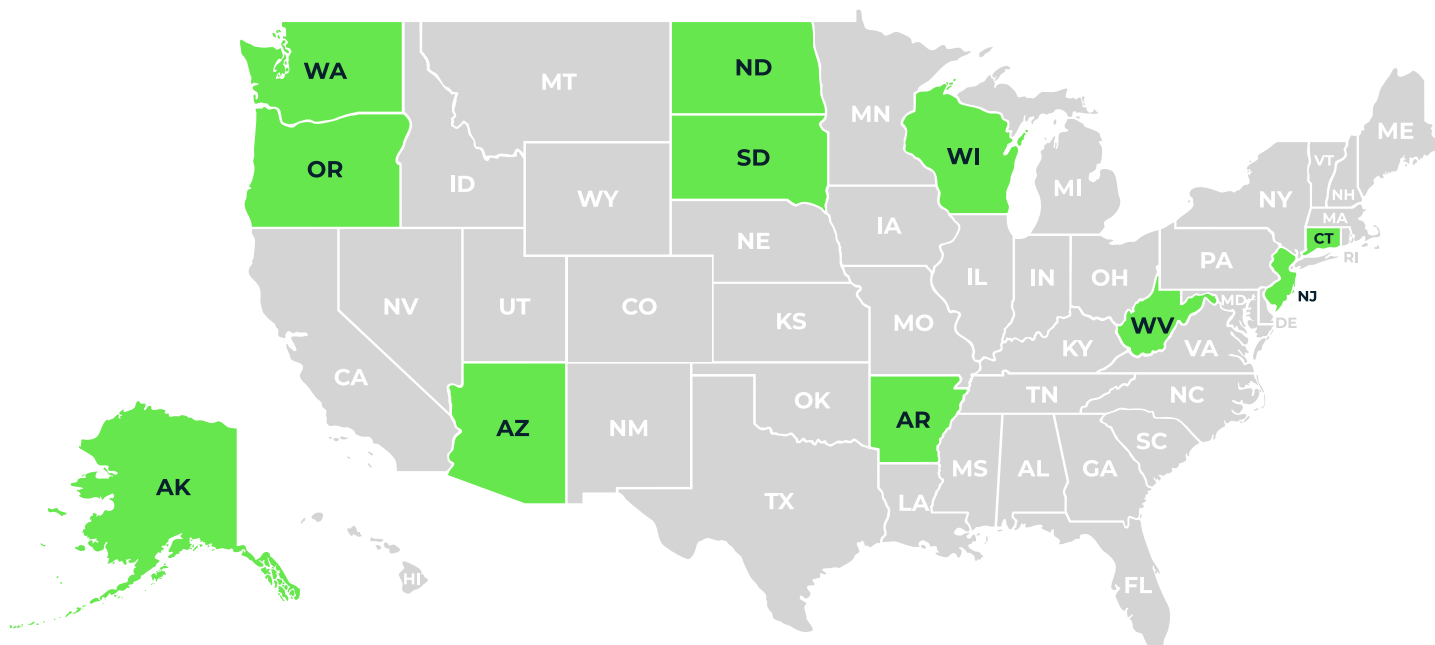


STATE	KEY AI LAWS	BUSINESS IMPACT
California	AB303, SB 243, SB942, AB2013 + SB1001, CCPA/CPRA	AI disclosures in healthcare, hiring, ads, profiling opt-outs, pricing
Colorado	SB21-169, SB24-205, HB1147, CPA	Bias audits, high-risk AI governance, and deepfake ad rules
Georgia	HB 203 (2023)	Regulates AI tools used in clinical eye assessments
Hawaii	SB 974 (2023)	Profiling opt-outs, risk assessment, and automated decision-making
Illinois	AI Video Interview Act, HB3773 (2024)	Hiring transparency, ban zip-code proxy, notice for AI hiring tools
Maryland	HB1303 (2024)	AI in healthcare, algorithmic fairness in benefit delivery
Montana	HB178 (2025)	Government AI audits, public disclosure on surveillance
New York (City)	Local Law 144 (2023)	Hiring algorithm audits and public reporting
Texas	Responsible AI Governance Act (effective 2026)	Biometric bans, disclosure, and algorithmic bias
Utah	AI Policy Act (2024)	Requires AI disclosures, oversight registry
Vermont	H.705 updates (2024)	Consumer protection amendments, including AI systems

TIER 2

States with Active or Proposed AI Bills Relevant to Businesses

These states have introduced legislation targeting AI in business, but lawmakers have not yet enacted these laws. These bills may still pass or evolve in the future.

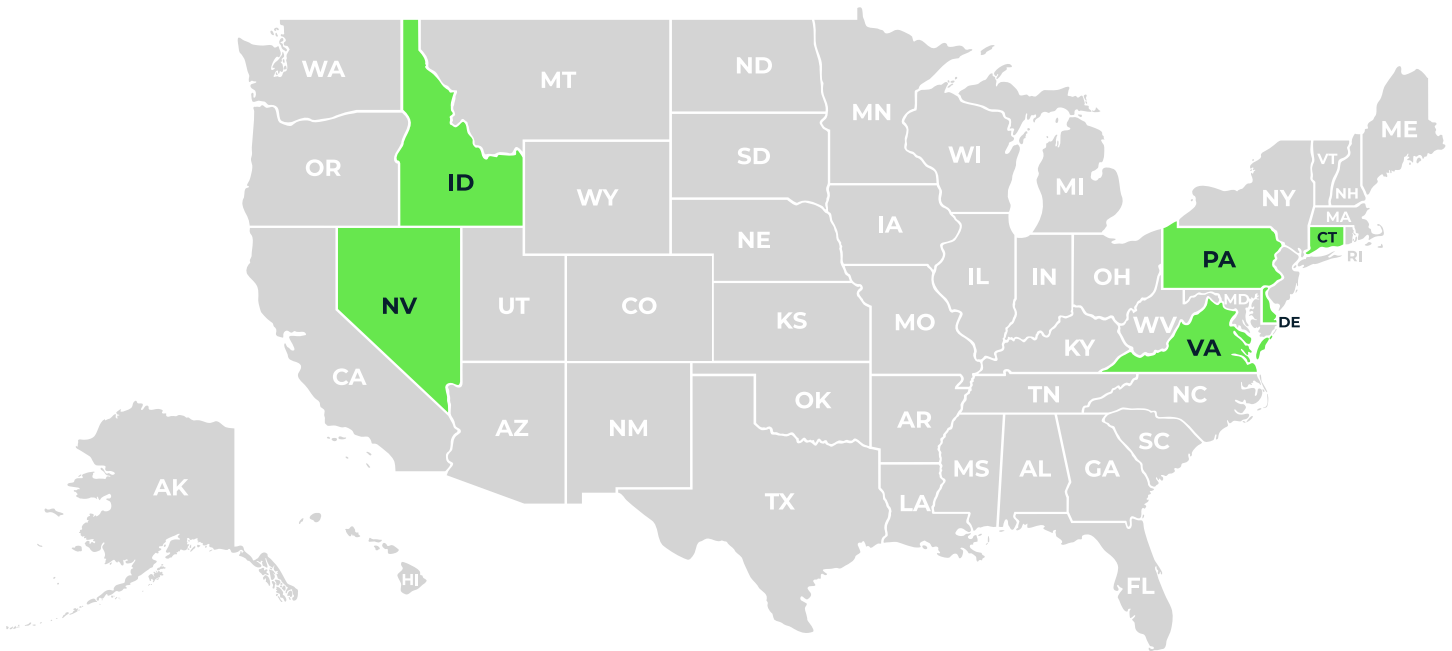


STATE	KEY AI LAWS	BUSINESS IMPACT
Alaska	SB198 (2024)	Would create an AI policy framework. It could influence future business regulations
Arizona	HB2175 (introduced 2025)	AI limits healthcare claim denial
Arkansas	HB1720 (proposed 2025)	Would impose AI fairness rules in workplace surveillance
Connecticut	HB5877, SB2, SB447 (2025)	Would ban AI replacing educators, regulate AI in health insurance claims
Iowa	SF143 (introduced 2025)	Profiling opt-out in hiring, lending, housing, insurance
Massachusetts	AI Impact Assessment Bill (2025)	Transparency in HR-related AI use, risk audits
Minnesota	Government AI disclosure bill	Public sector transparency
New Hampshire	SB485 (pending 2025)	AI labeling in education systems
New Jersey	Automated decision accountability bill	Would regulate AI in employment and benefits decisions
North Dakota	AI use task force plus pending legislation	Would guide government tech use
Oregon	Algorithmic Accountability Act (2024)	Would require risk classification and workplace AI notifications
South Dakota	HB1191 (2025)	Data and algorithms used in law enforcement
Washington	Proposed AI Bill of Rights	Equity and transparency in automated decision making
West Virginia	HB4444 (introduced in 2024)	Would regulate AI hiring tools and candidate screening
Wisconsin	Tech committee draft bill	Would require public disclosure of workforce AI

TIER 3

States with General Privacy or Data Laws Applied to AI

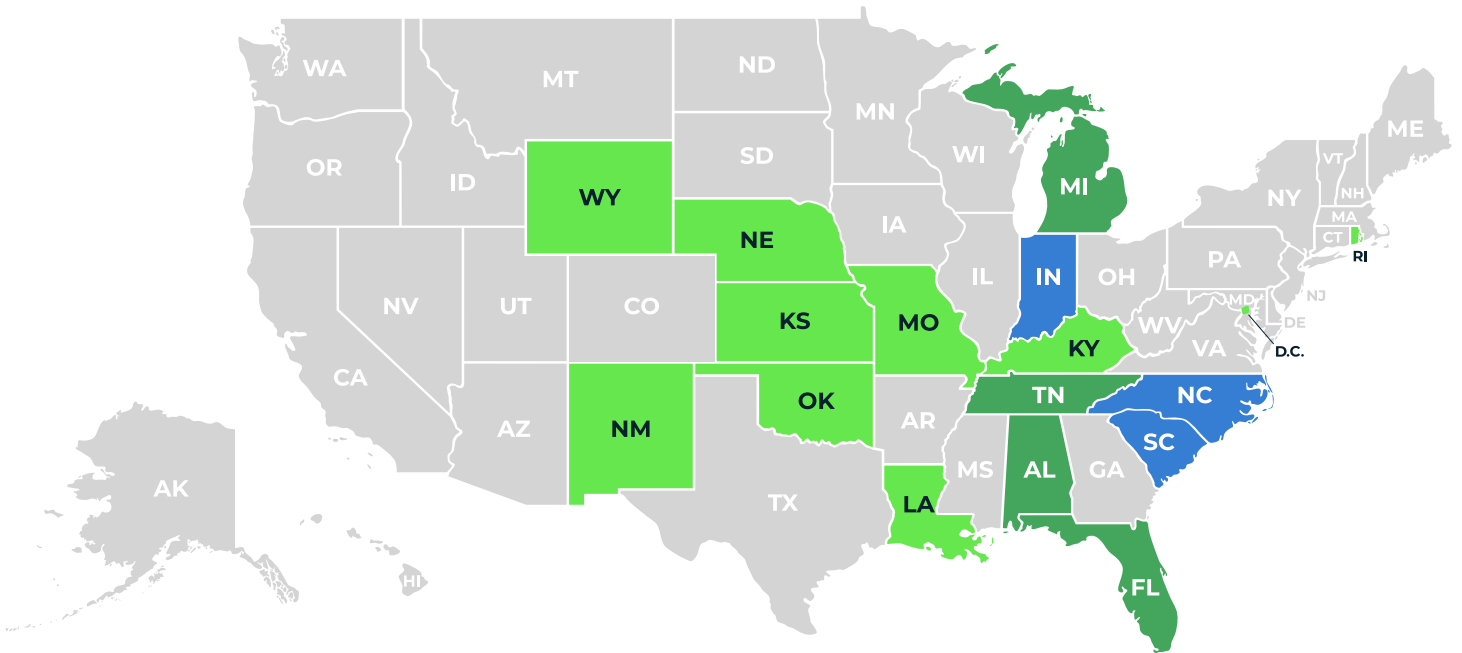
These states may or may not have existing AI regulations, but they do have privacy or consumer protections relevant to business needs.



STATE	KEY AI LAWS	BUSINESS IMPACT
Delaware	Delaware Personal Data Privacy Act	Opt-out of automated profiling, DPIAs for high-risk HR decisions
Connecticut	CTPA (2023)	Similar rules for profiling opt-outs and risk assessment
Idaho	SB1067 (proposed)	Would exempt AI from regulation via free speech framing
Nevada	Nevada Privacy Law	Profiling opt-out, risk review for automated decisions
Ohio	Ohio Data Protection Act	Covers employee data and automated profiling
Pennsylvania	Pending privacy law	Would apply opt-out and risk assessment to HR profiling
Virginia	Consumer Data Protection Act (2023)	Applies DPIAs and opt-out to business/employee profiling

TIER 4

Remaining States



States with AI task forces or study groups:

- Indiana
- North Carolina
- South Carolina



**Emerging trend
(election deepfakes, task force):**

- Alabama
- Florida
- Michigan
- Tennessee



**States with no known AI policy activity
as of June 2025:**

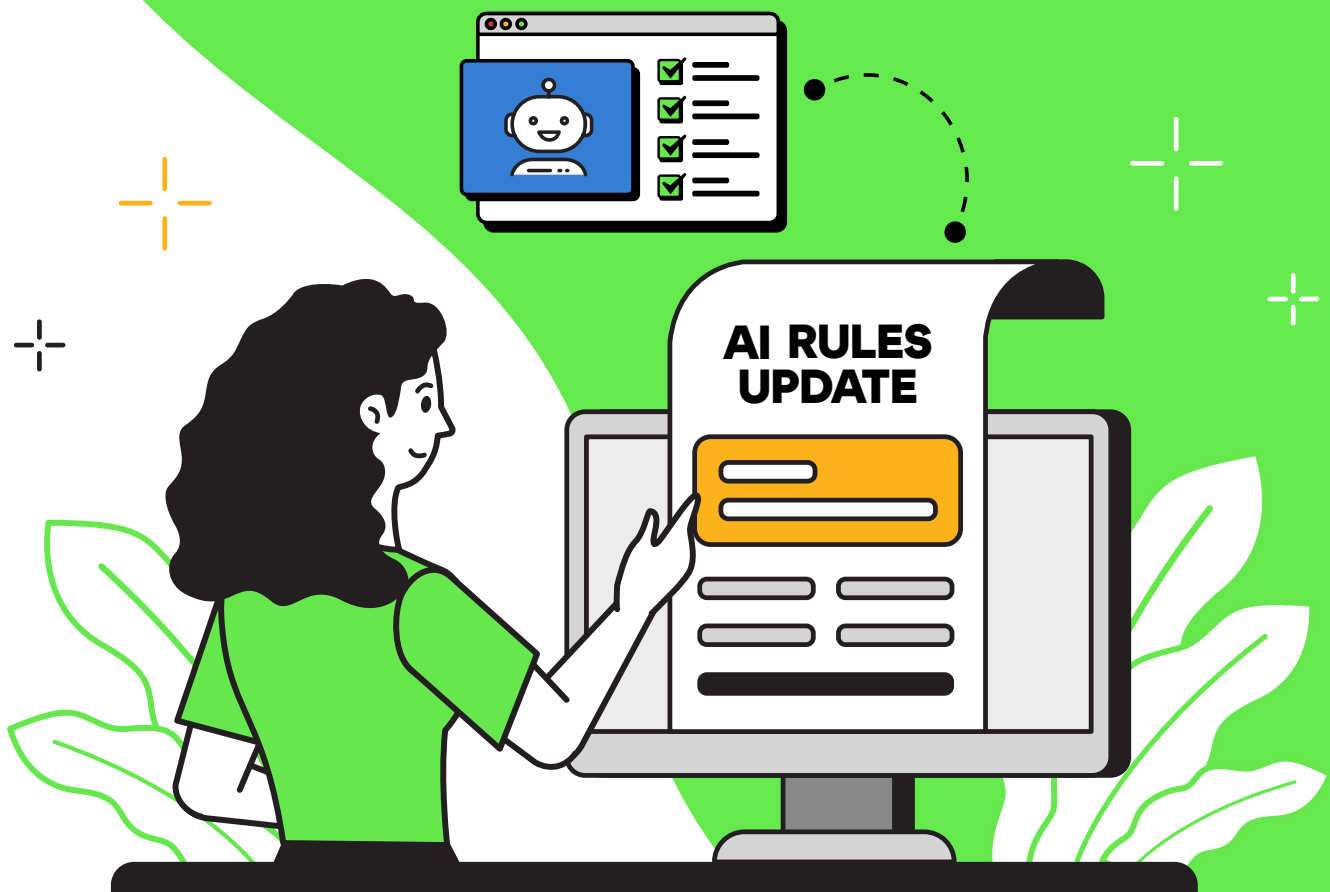
- Kansas
- Kentucky
- Louisiana
- Mississippi
- Missouri
- Nebraska
- New Mexico
- Oklahoma
- Rhode Island
- Wyoming
- Washington D.C.

The Bottom Line: AI Compliance is a Moving Target

What's legal today might be outdated tomorrow. That's why HR teams need systems for staying ahead. Whether you're reviewing hiring algorithms or handling employee data, the rules are shifting fast and often without much notice.

The information here gives you a baseline. When your team understands where and how you use AI, they can better manage risks and avoid surprises.

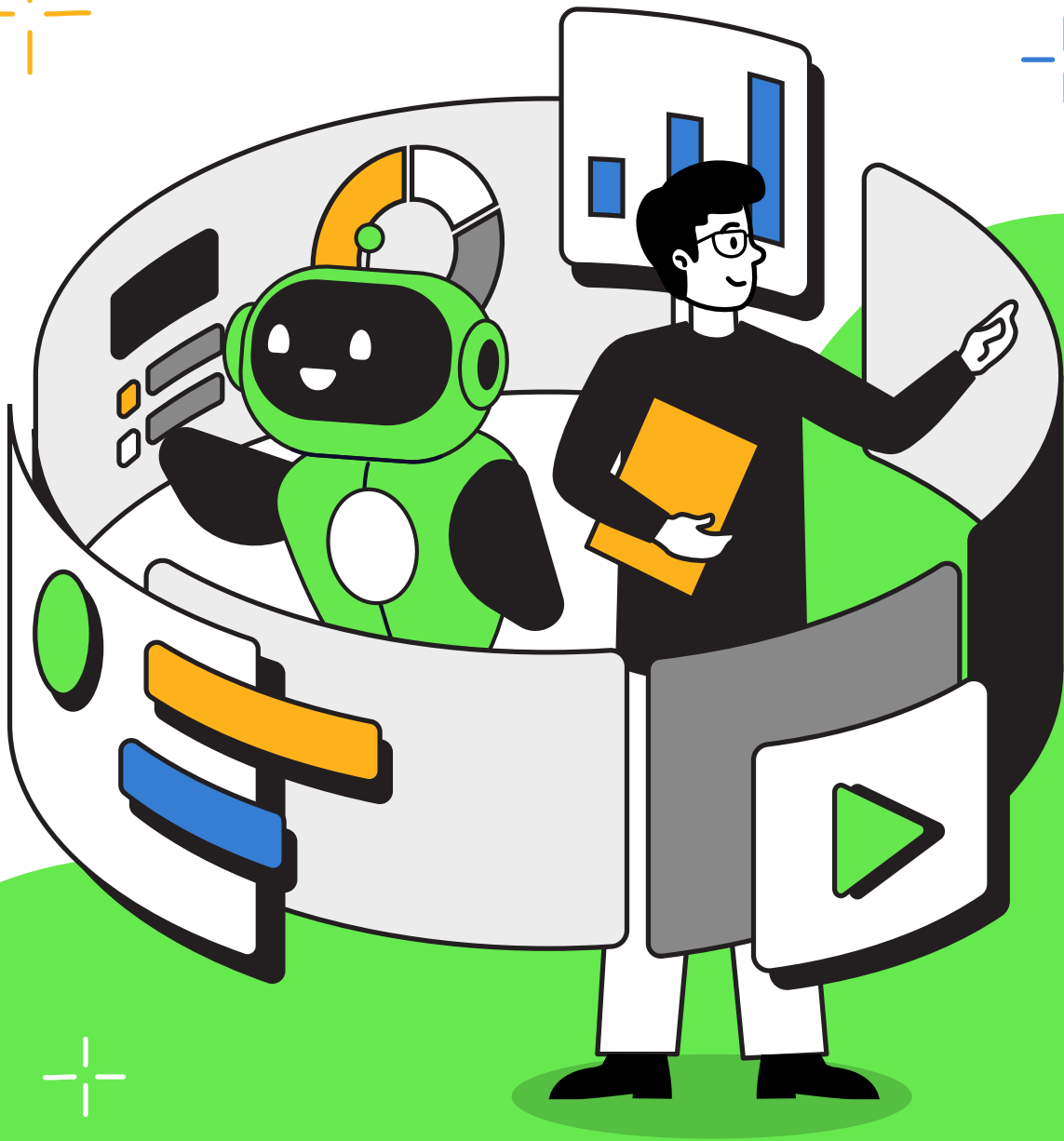
Need a way to educate without overwhelming? [Microsites](#) and [explainer videos](#) can break down the rules by state, tool, or team, making compliance a whole lot easier.



Sources:

<https://www.bclplaw.com/en-US/events-insights-news/us-state-by-state-artificial-intelligence-legislation-snapshot.html>

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