



Evaluating Artificial Intelligence Policy Proposals

Artificial Intelligence (AI) is becoming an essential tool across healthcare, education, transportation, public safety, elections, and government services. When guided by principles AI can empower individuals, expand opportunity, and strengthen America's economic leadership while respecting civil liberties and consumer choice. Some regulations risk stifling innovation, creating legal uncertainty, and limiting advancements that improve lives and drive competition.

WHY THIS MATTERS

AI is developing rapidly, faster than policy can keep up. Tech is evolving, but lawmakers are advancing policies that threaten consumer choice and free ideas. Policymakers must weigh AI's costs without ignoring its benefits to accurately assess policies.

Overly broad AI regulation risks becoming disproportionate to the harm it seeks to address. Before proposing new rules, policymakers should clearly identify the specific harm or risk being addressed and gauge whether AI is the root cause of the issue or merely amplifies an existing problem already governed by law.

AI is used across many sectors, so policy recommendations should target specific AI applications and outcomes rather than the technology itself. Policymakers should review whether existing consumer protection and civil rights statutes, data privacy and cybersecurity laws, and procurement, liability, and administrative regulations sufficiently address potential risks before creating new rules.

To ensure effective oversight, strong policy must also be enforceable in practice. This requires clear definitions, realistic enforcement mechanisms, adequate funding, and sufficient agency expertise.

States and nations compete for talent, investment, and technological leadership. AI policy should encourage responsible innovation while avoiding incentives to move development to less-regulated jurisdictions.

Ambiguous or overly broad definitions of AI can unintentionally capture technologies far beyond their intended scope. Policymakers should instead rely on internationally recognized, technically grounded definitions.

STATE AI POLICIES AND THEIR IMPACTS

- **New York:** Senate Bill S6953B, known as the Responsible AI Safety and Education Act, establishes strict safety obligations for developers of advanced AI systems.
 - This law could slow progress and raise compliance costs due to increased administrative burdens. Strict requirements may push AI companies out of New York entirely, rather than making AI safer.
- **California:** In September 2025, Governor Newsom signed Senate Bill 53, establishing the first state law focused on safety and transparency for large-scale generative AI platforms. In addition to SB 53, California has enacted several laws targeting specific aspects of AI regulation: AB 1836 and AB 2602 address the use of digital replicas; SB 942 and AB 853 focus on transparency requirements; and SB 11 targets AI technology more broadly.
 - California's several AI laws require companies to navigate multiple requirements. Complex standards could increase costs, as firms must allocate resources to comply with these mandates. These challenges may incentivize companies to reconsider their operations or investments in California.
- **Illinois:** Illinois' HB 1806 limits the use of AI in mental health and medical settings, requiring only licensed professionals may provide direct care. The law allows AI to assist with administrative tasks but prohibits it from making treatment decisions.
 - By restricting AI from care decisions, it blocks tools that could expand access or improve outcomes, even when patients might voluntarily choose them.

UNINTENDED EFFECTS OF AI REGULATION

- Strict regulations slow innovation as they make it harder for companies to develop and deploy new AI technologies.
- Compliance costs and complex requirements disproportionately harm small businesses, limiting competition within the AI industry.
- Overregulation slows the development of life-saving products such as self-driving cars, advanced medical technology, and cybersecurity programs to protect citizens.
- Limited access to healthcare services is preventing AI tools from alleviating shortages.

RESPONSIBLE AI ADOPTION

Public understanding is essential. Governments should support education and workforce readiness by partnering with STEM organizations, community colleges, and universities. As skills evolve rapidly, lifelong learning is critical. At the household level, responsible technology use begins with parents and caregivers, who are best positioned to guide behavior and set age-appropriate boundaries.