

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 791** HLS 26RS 714  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 12, 2026	2:30 PM	<b>Author:</b> BOYD
<b>Dept./Agy.:</b> Statewide		<b>Analyst:</b> Richie Anderson
<b>Subject:</b> Artificial Intelligence Regulations, The People's AI Act		

COMMERCIAL REGULATIONS OR +\$256,243 GF EX See Note Page 1 of 2  
 Provides relative to the regulation of artificial intelligence

Proposed law provides for the regulation of artificial intelligence chatbots and chatbot providers related to use, sale, or dissemination of input data and output data, use of chatbots by minors, required disclosure of chatbots, transparency provisions, a requirement to implement data safety programs, and related penalties. Proposed law provides for "The People's AI Act". Proposed law provides for enforcement by the Attorney General under the Unfair Trade Practices and Consumer Protection Law.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>\$256,243</b>	<b>\$250,052</b>	<b>\$258,174</b>	<b>\$266,621</b>	<b>\$275,406</b>	<b>\$1,306,496</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
<b>Annual Total</b>						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will increase SGF expenditures for the Department of Justice by \$256,243 in FY 27, \$250,052 in FY 28, \$258,174 in FY 29, \$266,621 in FY 30, and \$275,406 in FY 31. Proposed law provides that the Attorney General shall have primary enforcement authority and shall enforce violations of the proposed AI chatbot regulations. To implement the proposed law, the Department of Justice provides that they will require two (2) additional T.O. positions, an Assistant Attorney General with an initial salary of \$85,000, and an Administrative Assistant with an initial salary of \$60,000. These salaries will increase annually by 4% in the out years for market rate adjustments. Additionally, the department will require operating expenses of \$27,000 annually consisting of travel and supplies. Finally, the department will require \$14,000 to purchase equipment to accommodate these positions. See below for a breakdown of the required expenditures.

Expenditure Category	FY 27	FY 28	FY 29	FY 30	FY 31
Salaries:	\$145,000	\$150,800	\$156,832	\$163,105	\$169,629
Related Benefits:	<u>\$70,243</u>	<u>\$72,252</u>	<u>\$74,342</u>	<u>\$76,516</u>	<u>\$78,777</u>
Total Personal Services:	\$215,243	\$223,052	\$231,174	\$239,621	\$248,406
Operating Expenses:	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000
Equipment:	<u>\$14,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total SGF Expenditures:</b>	<b>\$256,243</b>	<b>\$250,052</b>	<b>\$258,174</b>	<b>\$266,621</b>	<b>\$275,406</b>

The LFO acknowledges that implementation of the proposed law will result in additional workload. However, it cannot be confirmed whether existing positions within the Department of Justice can, in whole or in part, absorb this increase. To the extent that the increase in workload differs from what is anticipated by the Attorney General's Office, and existing staff are able to manage the increase, estimated expenditures may be lower than those provided in this fiscal note.

**District Courts.** Proposed law may result in an indeterminable impact on workload in the district courts, to the extent that they experience an increase in filings for civil actions pursued for violations of the proposed law. Proposed law allows aggrieved persons to independently pursue civil actions for fines, civil damages, attorney fees, and court costs against those operators in violation. The exact fiscal impact relative to the increase in workload is indeterminable, because it is unknown the number of instances in which civil actions would be filed (and the related hearings conducted) for these matters.

**REVENUE EXPLANATION**

Proposed law may decrease Federal funding to the Department of Administration (DOA). Proposed law implements "The Peoples AI Act". The President of the United States issued Executive Order 14365 on December 11, 2025, that would prevent Broadband Equity, Access, and Deployment (BEAD) funding to states that implement AI legislation that harms innovation.

**Revenue Explanation Continued on Page 2**

Senate	Dual Referral Rules	House
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**



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**CONTINUED EXPLANATION from page one:**

**Revenue Explanation Continued:**

This executive order directs the Attorney General of the United States to establish an AI Litigation Task Force to challenge unlawful state AI laws that harm innovation. To the extent this task force deems proposed law harmful to innovation, BEAD funding may be withheld. DOA reports that if this funding is impacted it would substantially impact the Office of Broadband Connectivity's ability to implement broadband around the state.

Proposed law may result in an indeterminable increase in Self-Generated Revenue in the Department of Justice to the extent that the office recovers fines from civil actions related to violations of the proposed law that are pursued by the Attorney General. The exact impact to Self-Generated Revenue is indeterminable, as it is unknown the number of civil actions brought by the Attorney General that will yield civil fines against those determined liable under the proposed law, and the fines that may be secured are variable in nature (the Attorney General is allowed to pursue civil fines of not more than \$5,000 per violation, in addition to civil damages, plus attorney fees and costs).

Senate      Dual Referral Rules


13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**