SENATE BILL NO. 199–SENATOR NEAL

FEBRUARY 11, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Enacts provisions relating to artificial intelligence systems. (BDR 52-583)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets [~~omitted material~~] is material to be omitted.

AN ACT relating to artificial intelligence systems; providing for the registration and regulation of artificial intelligence companies by the Bureau of Consumer Protection in the Office of the Attorney General; imposing certain requirements and restrictions upon certain persons engaged in certain activities relating to artificial intelligence systems; requiring the Department of Employment, Training and Rehabilitation to develop a survey and report certain information relating to artificial intelligence systems; requiring a county recorder to develop, implement and maintain certain policies, procedures and protocols; revising the list of activities that constitute an unlawful contract, combination or conspiracy in restraint of trade; requiring the Superintendent of Public Instruction to establish the Working Group on the Use of Artificial Intelligence Systems in Education; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill enacts various provisions relating to "artificial intelligence systems," which **section 4** of this bill defines to mean any machine-based system that, for any explicit or implicit objective, infers from the inputs such system receives how to generate outputs, including, without limitation, content, decisions, predictions or recommendations, that can influence physical or virtual environments.

Sections 6-12 of this bill provide for the registration and regulation of "artificial intelligence companies," which **section 3** of this bill defines to mean, in general, a person who develops an artificial intelligence system that is primarily

used to generate certain material or is trained using certain data and either sells the system to another person or enters into a contractual arrangement with another person that, by its terms, allows customers of the person to use the artificial intelligence system in exchange for a fee paid by the person to the artificial intelligence company. **Section 6** requires an artificial intelligence company to be registered with the Bureau of Consumer Protection in the Office of the Attorney General. **Sections 6-8** set forth various requirements for the issuance and renewal of such a registration.

Section 11 authorizes the Bureau to impose certain penalties against a person who fails to register as required in **section 6**. **Section 12** authorizes the Bureau to adopt regulations to carry out the provisions of **sections 6-11**.

Section 13 of this bill requires a person who sells computer software that is capable of generating legal documents through the use of an artificial intelligence system, with certain exceptions, to ensure that each such document generated is reviewed by a licensed attorney before the document is provided to a customer in this State.

Section 14 of this bill requires the operator of a social media platform that provides users both a method to conduct a search on the platform that will result in information concerning the search being used to train an artificial intelligence system and a method that will not have that result to: (1) require a user to opt in to use the method that will result in the information concerning the search being used to train an artificial intelligence system; and (2) allow a user that does not opt in to continue to use the method that will not have that result so long as the operator offers the method.

Section 15 of this bill prohibits a person who is paid money for a service on the condition that the service be provided by a natural person from providing the service through an image of a natural person generated by an artificial intelligence system.

Section 16 of this bill requires the Department of Employment, Training and Rehabilitation to develop a survey to be sent to certain employers in order to determine the number and type of jobs that have been lost in this State because of the use of artificial intelligence systems and submit an annual report to the Governor and the Legislature regarding the information collected from the survey. **Sections 16 and 16.5** of this bill provide for the confidentiality of certain information collected from the survey.

Section 17 of this bill requires a county recorder to develop, implement and maintain policies, procedures and protocols to verify the identity of any person filing a document and to protect against fraud committed in the filing of a document through the use of an artificial intelligence system.

Section 18 of this bill requires each law enforcement agency to develop, maintain and periodically update a policy concerning the use of artificial intelligence systems by the law enforcement agency. **Section 18** requires the policy and any update to the policy to be submitted to the Bureau of Consumer Protection.

Section 26 of this bill requires the Superintendent of Public Instruction to establish the Working Group on the Use of Artificial Intelligence Systems in Education to conduct an assessment and develop certain policies and guidance relating to the use of artificial intelligence systems during the 2025-2026 interim.

The Nevada Unfair Trade Practice Act sets forth various activities that constitute an unlawful contract, combination or conspiracy in restraint of trade and authorizes the Attorney General to investigate and take certain actions against persons who engage in such activities, which may include, without limitation, criminal prosecution and the imposition of civil penalties. (Chapter 598A of NRS) **Section 20** of this bill includes among the activities that constitute an unlawful contract, combination or conspiracy in restraint of trade the establishment by a landlord of a price for rent for a dwelling unit that is based upon a recommendation

provided by certain artificial intelligence systems that generate recommended prices for rent using certain nonpublic information provided by multiple landlords.

Section 21 of this bill authorizes the Commissioner of Financial Institutions to adopt regulations establishing requirements and restrictions on the use of artificial intelligence systems by persons licensed by the Commissioner. **Section 24** of this bill prohibits an insurer from using any data collected by the insurer relating to the health of an insured to train an artificial intelligence system developed by the insurer without providing certain notice and obtaining the consent of the customer to whom such data relates.

Existing law sets forth various practices that constitute an unfair or deceptive trade practice in the business of insurance. (NRS 686A.010-686A.310) **Section 25** of this bill requires an insurer to adopt practices designed to ensure that the use of an artificial intelligence system by the insurer does not result in the commission of an unfair or deceptive trade practice. **Section 25** also requires an insurer to develop, implement and maintain a plan for the responsible use of artificial intelligence systems by the insurer and sets forth certain requirements for such a plan.

Section 22 of this bill applies the definitions set forth under the provisions of existing law governing financial institutions to the provisions of **section 21**.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Title 52 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 16, inclusive, of this act.

Sec. 2. ***As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.***

Sec. 3. ***"Artificial intelligence company" means a person who:***

1. Is registered with the Bureau pursuant to section 6 of this act;

2. Develops an artificial intelligence system that:

(a) Is primarily used to generate:

(1) Legal documents;

(2) Images of natural persons through which services are provided; or

(3) Recommended rent prices for dwelling units; or

(b) Is trained using data collected from searches conducted on a social media platform; and

3. Either:

(a) Sells the artificial intelligence system to another person; or

(b) Enters into a contractual arrangement with another person that, by its terms, expressly allows customers of the person to use the artificial intelligence system in exchange for a fee paid by the person to the artificial intelligence company.

Sec. 4. *"Artificial intelligence system" means any machine-based system that, for any explicit or implicit objective, infers from the inputs such system receives how to generate outputs, including, without limitation, content, decisions, predictions or recommendations, that can influence physical or virtual environments.*

Sec. 5. *"Bureau" means the Bureau of Consumer Protection in the Office of the Attorney General.*

Sec. 6. *1. A person shall not engage in the business of an artificial intelligence company in this State unless the person is registered with the Bureau pursuant to this section.*

2. A person who wishes to register with the Bureau as an artificial intelligence company must submit to the Bureau the fee established pursuant to subsection 4 and an application, on a form prescribed by the Bureau, which contains:

(a) The name and address of the applicant;

(b) Information concerning the nature of the data the person maintains and the locations at which such data is stored; and

(c) Such other information as the Bureau may require by regulation.

3. Registration as an artificial intelligence company expires 1 year after issuance and may be renewed upon submission of the fee established pursuant to subsection 4 and an application for renewal, on a form prescribed by the Bureau, which contains:

(a) Information concerning the nature of the data the company maintains and the locations at which such data is stored; and

(b) Such other information as the Bureau may require by regulation.

4. The Bureau shall establish by regulation fees for the issuance and renewal of a registration as an artificial intelligence company.

Sec. 7. *1. In addition to any other requirements set forth in this chapter, a natural person who applies for the issuance or renewal of a registration as an artificial intelligence company shall:*

(a) Include the social security number of the applicant in the application submitted to the Bureau.

(b) Submit to the Bureau the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Bureau shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the registration; or

(b) A separate form prescribed by the Bureau.

3. A registration may not be issued or renewed by the Bureau if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Bureau shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 8. ***1. If the Bureau receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a registration as an artificial intelligence company, the Bureau shall deem the registration issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Bureau receives a letter issued to the holder of the registration by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the registration has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.***

2. The Bureau shall reinstate a registration that has been suspended by a district court pursuant to NRS 425.540 if the Bureau receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose registration was suspended stating that the person whose registration was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. *If a person violates the provisions of section 6 of this act, the Bureau may impose a civil penalty of not more than $5,000 for each violation.*

Sec. 12. *The Bureau may adopt regulations to carry out the provisions of sections 6 to 11, inclusive, of this act.*

Sec. 13. *1. Except as otherwise provided in subsection 2, a person who sells computer software that is capable of generating legal documents through the use of an artificial intelligence system must ensure that each legal document generated by the software is reviewed by an attorney who is licensed in this State before the document is provided to a customer in this State.*

2. The provisions of subsection 1 do not apply to any legal document provided to a customer who is:

(a) An attorney who is licensed in this State;

(b) A law firm authorized to do business in this State;

(c) The State or any political subdivision thereof; or

(d) A court, judge, arbitrator or mediator in this State.

Sec. 14. *1. If the operator of a social media platform provides users in this State with both a method to conduct a search on the platform that will result in information concerning the search being used to train an artificial intelligence system and a method to conduct a search that will not have that result, the operator must require a user to opt in before utilizing the method that will result in information concerning the search being used to train an artificial intelligence system. If a user does not opt in, the operator shall allow the user to utilize the method that will not have that result so long as the operator offers that method to users in this State.*

2. Nothing in this section shall be construed as applying to any online application, Internet website or other online service that is not a social media platform, including, without limitation, an online application, Internet website or online service that enables a user to search for information, products or locations but which is not a social media platform or an online application, Internet website or online service used internally by an entity to perform functions relating to human resources.

3. As used in this section, "social medial platform" means an online application, Internet website or other online service that:

(a) Allows a person to:

(1) Become a registered user; and

(2) Establish an account, create a profile or otherwise create, share and view user-generated content; and

(b) Serves as a medium for users to:

(1) Interact with other users through accounts, profiles or other means; or

(2) Interact with or otherwise view the content generated by other users of the platform.

Sec. 15. *1. A person who is paid money for a service on the condition that the service be provided by a natural person shall not provide the service through an image of a natural person generated by an artificial intelligence system.*

2. The provisions of subsection 1 do not apply to:

(a) The placement of a bet or wager in a licensed gaming establishment, as defined in NRS 463.0169; or

(b) The provision of any service, including, without limitation, the reserving of hotel accommodations, through an artificial intelligence system which is not paid for on the condition that the service be provided by a natural person.

Sec. 16. *1. The Department of Employment, Training and Rehabilitation shall develop a survey to determine the number and type of jobs that have been lost because of the use of artificial intelligence systems. The Department shall send the survey to samples of employers of employees in this State who, based on relevant academic studies, the Department determines are at risk of losing their employment because of the use of artificial intelligence systems.*

2. Upon the receipt of the survey sent by the Department pursuant to subsection 1, an employer shall complete the survey and return the survey to the Department.

3. On or before December 1 of each year, the Department shall compile the statistical data obtained from the survey sent by the Department pursuant to subsection 1 into a report in an aggregated format which does not reveal the identity of any employer, employee or other person and submit the report to:

(a) The Governor; and

(b) The Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission, if the report is received during an odd-numbered year, or to the next session of the Legislature, if the report is received during an even-numbered year.

4. Except as otherwise provided in this subsection, any data and information obtained by the Department from a survey sent pursuant to subsection 2 that identifies any employer, employee or other person is confidential and must not be disclosed to any other person without the prior written consent of the identifiable person. Such information may be used for statistical purposes if the identity of the person is not discernible from the information disclosed.

5. For the purposes of this section, the use of an artificial intelligence system by an employer to temporarily fulfill the job

duties of an employee who is temporarily absent from employment does not constitute a job that has been lost because of the use of an artificial intelligence system.

6. The Department may adopt regulations to carry out the provisions of this section.

7. As used in this section:

(a) "Department" means the Department of Employment, Training and Rehabilitation.

(b) "Employer" includes a public employer and a private employer.

Sec. 16.5. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 164.041, 172.075, 172.245, 176.01334, 176.01385, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 178.5717, 179.495, 179A.070, 179A.165, 179D.160, 180.600, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 218G.615, 224.240, 226.462, 226.796, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1285, 231.1473, 232.1369, 233.190, 237.300, 239.0105, 239.0113, 239.014, 239B.026, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 239C.420, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.545, 247.550, 247.560, 250.087, 250.130, 250.140, 250.145, 250.150, 268.095, 268.0978, 268.490, 268.910, 269.174, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 284.4086, 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.5757, 293.870, 293.906, 293.908, 293.909, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 353D.250, 360.240,

360.247, 360.255, 360.755, 361.044, 361.2242, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.033, 391.035, 391.0365, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 393.045, 394.167, 394.16975, 394.1698, 394.447, 394.460, 394.465, 396.1415, 396.1425, 396.143, 396.159, 396.3295, 396.405, 396.525, 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 414.280, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 427A.940, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407, 432B.430, 432B.560, 432B.5902, 432C.140, 432C.150, 433.534, 433A.360, 439.4941, 439.4988, 439.5282, 439.840, 439.914, 439A.116, 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 442.774, 445A.665, 445B.570, 445B.7773, 449.209, 449.245, 449.4315, 449A.112, 450.140, 450B.188, 450B.805, 453.164, 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940, 481.063, 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484A.469, 484B.830, 484B.833, 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 598A.420, 599B.090, 603.070, 603A.210, 604A.303, 604A.710, 604D.500, 604D.600, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.043, 629.047, 629.069, 630.133, 630.2671, 630.2672, 630.2673, 630.2687, 630.30665, 630.336, 630A.327, 630A.555, 631.332, 631.368, 632.121, 632.125, 632.3415, 632.3423, 632.405, 633.283, 633.301, 633.427, 633.4715, 633.4716, 633.4717, 633.524, 634.055, 634.1303, 634.214, 634A.169, 634A.185, 634B.730, 635.111, 635.158, 636.262, 636.342, 637.085, 637.145, 637B.192, 637B.288, 638.087, 638.089, 639.183, 639.2485, 639.570, 640.075, 640.152, 640A.185, 640A.220, 640B.405, 640B.730, 640C.580, 640C.600, 640C.620, 640C.745, 640C.760, 640D.135, 640D.190, 640E.225, 640E.340, 641.090, 641.221, 641.2215, 641A.191, 641A.217, 641A.262, 641B.170, 641B.281, 641B.282, 641C.455, 641C.760, 641D.260, 641D.320, 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947,

648.033, 648.197, 649.065, 649.067, 652.126, 652.228, 653.900, 654.110, 656.105, 657A.510, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 670B.680, 671.365, 671.415, 673.450, 673.480, 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.710, 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159, 711.600, ***section 16 of this act,*** sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate, including, without limitation, electronically, the confidential information from the information included in the public book or record that is not otherwise confidential.

4. If requested, a governmental entity shall provide a copy of a public record in an electronic format by means of an electronic medium. Nothing in this subsection requires a governmental entity to provide a copy of a public record in an electronic format or by means of an electronic medium if:

(a) The public record:

(1) Was not created or prepared in an electronic format; and

(2) Is not available in an electronic format; or

(b) Providing the public record in an electronic format or by means of an electronic medium would:

(1) Give access to proprietary software; or

(2) Require the production of information that is confidential and that cannot be redacted, deleted, concealed or separated from information that is not otherwise confidential.

5. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in the medium that is requested because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 17. Chapter 247 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A county recorder shall develop, implement and maintain policies, procedures and protocols to verify the identity of any person filing a document and to protect against fraud committed in the filing of a document through the use of an artificial intelligence system.

2. As used in this section, "artificial intelligence system" has the meaning ascribed to it in section 4 of this act.

Sec. 18. Chapter 289 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each law enforcement agency shall develop, maintain and periodically update a policy concerning the use of artificial intelligence systems by the law enforcement agency, including, without limitation, the use of such systems to generate reports, the use of such systems for the purposes of facial recognition and other uses of such systems by the law enforcement agency. The policy must be designed to ensure the protection of the civil and constitutional rights of the members of the public.

2. Each law enforcement agency shall submit the policy developed and maintained by the agency and any update to the policy to the Bureau of Consumer Protection in the Office of the Attorney General.

3. As used in this section, "artificial intelligence system" has the meaning ascribed to it in section 4 of this act.

Sec. 19. (Deleted by amendment.)

Sec. 20. NRS 598A.060 is hereby amended to read as follows:

598A.060 1. Every activity enumerated in this subsection constitutes a contract, combination or conspiracy in restraint of

trade, and it is unlawful to conduct any part of any such activity in this State:

(a) Price fixing, which consists of raising, depressing, fixing, pegging or stabilizing the price of any commodity or service, and which includes, but is not limited to:

(1) Agreements among competitors to depress prices at which they will buy essential raw material for the end product.

(2) Agreements to establish prices for commodities or services.

(3) Agreements to establish uniform discounts, or to eliminate discounts.

(4) Agreements between manufacturers to price a premium commodity a specified amount above inferior commodities.

(5) Agreements not to sell below cost.

(6) Agreements to establish uniform trade-in allowances.

(7) Establishment of uniform cost surveys.

(8) Establishment of minimum markup percentages.

(9) Establishment of single or multiple basing point systems for determining the delivered price of commodities.

(10) Agreements not to advertise prices.

(11) Agreements among competitors to fix uniform list prices as a place to start bargaining.

(12) Bid rigging, including the misuse of bid depositories, foreclosures of competitive activity for a period of time, rotation of jobs among competitors, submission of identical bids, and submission of complementary bids not intended to secure acceptance by the customer.

(13) Agreements to discontinue a product, or agreements with anyone engaged in the manufacture of competitive lines to limit size, styles or quantities of items comprising the lines.

(14) Agreements to restrict volume of production.

(b) Division of markets, consisting of agreements between competitors to divide territories and to refrain from soliciting or selling in certain areas.

(c) Allocation of customers, consisting of agreements not to sell to specified customers of a competitor.

(d) Tying arrangements, consisting of contracts in which the seller or lessor conditions the sale or lease of commodities or services on the purchase or leasing of another commodity or service.

(e) Monopolization of trade or commerce in this State, including, without limitation, attempting to monopolize or otherwise combining or conspiring to monopolize trade or commerce in this State.

(f) Except as otherwise provided in subsection 2, consolidation, conversion, merger, acquisition of shares of stock or other equity

interest, directly or indirectly, of another person engaged in commerce in this State or the acquisition of any assets of another person engaged in commerce in this State that may:

(1) Result in the monopolization of trade or commerce in this State or would further any attempt to monopolize trade or commerce in this State; or

(2) Substantially lessen competition or be in restraint of trade.

(g) Establishment by a landlord of a price for rent for a dwelling unit that is based upon a recommendation provided by an artificial intelligence system that generates recommended prices for rent using nonpublic information provided to the system by multiple landlords concerning the prices charged by those landlords for rent.

2. The provisions of paragraph (f) of subsection 1 do not:

(a) Apply to a person who, solely for an investment purpose, purchases stock or other equity interest or assets of another person if the purchaser does not use his or her acquisition to bring about or attempt to bring about the substantial lessening of competition in this State.

(b) Prevent a person who is engaged in commerce in this State from forming a subsidiary corporation or other business organization and owning and holding all or part of the stock or equity interest of that corporation or organization.

3. As used in this section:

(a) "Artificial intelligence system" has the meaning ascribed to it in section 4 of this act.

(b) "Dwelling unit" has the meaning ascribed to it in NRS 118A.080.

(c) "Landlord" has the meaning ascribed to it in NRS 118A.100.

(d) "Rent" has the meaning ascribed to it in NRS 118A.150.

Sec. 21. Chapter 657 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Commissioner may adopt regulations establishing requirements and restrictions on the use of artificial intelligence systems by persons licensed by the Commissioner pursuant to chapters 604A, 604C, 604D, 649, 672, 673, 675, 676A or 677 of NRS as the Commissioner determines to be necessary to protect the privacy and security of data relating to the finances of customers and the effective management of such persons. Such requirements and restrictions may include, without limitation, requirements and restrictions on the use of data relating to the finances of customers for the purposes of training an artificial intelligence system.

2. As used in this section, "artificial intelligence system" has the meaning ascribed to it in section 4 of this act.

Sec. 22. NRS 657.150 is hereby amended to read as follows:

657.150 As used in NRS 657.150 to 657.290, inclusive, ***and section 21 of this act*** unless the context otherwise requires, the words and terms defined in NRS 657.160 and 657.170 have the meanings ascribed to them in those sections.

Sec. 23. Chapter 679A of NRS is hereby amended by adding thereto the provisions set forth as sections 24 and 25 of this act.

Sec. 24. ***1. An insurer shall not use any data collected by the insurer that relates to the health of an insured to train an artificial intelligence system developed by the insurer unless:***

(a) The insurer has obtained the affirmative, voluntary consent of the insured to whom such data relates; and

(b) Before giving the consent specified in paragraph (a), the insured has been provided with a clear and conspicuous statement informing the insured that:

(1) Data relating to his or her health may be used to train an artificial intelligence system if he or she consents; and

(2) The insured has the right to withhold his or her consent.

2. As used in this section, "artificial intelligence system" has the meaning ascribed to it in section 4 of this act.

Sec. 25. ***1. An insurer shall adopt practices designed to ensure that the use of an artificial intelligence system by the insurer does not result in the commission of an unfair or deceptive trade practice in violation of the provisions of NRS 686A.010 to 686A.310, inclusive.***

2. An insurer shall develop, implement and maintain a plan for the responsible use of artificial intelligence systems by the insurer. The plan must:

(a) Be in writing; and

(b) Include, without limitation, a plan for the acquisition, use or reliance upon artificial intelligence systems which are developed by a third party. Such a plan may include, without limitation, the establishment of standards, policies and procedures relating to:

(1) The inclusion of terms in a contract with such a third party that requires the third party to cooperate with the insurer with respect to regulatory inquiries and investigations relating to the use of the insurer of the products or services of the third party.

(2) The performance of contractual rights regarding audits or activities to confirm the compliance of the third party with contractual requirements and applicable statutory or regulatory requirements.

Sec. 26. 1. The Superintendent of Public Instruction shall establish the Working Group on the Use of Artificial Intelligence Systems in Education to conduct an assessment and develop certain policies and guidance relating to the use of artificial intelligence systems during the 2025-2026 interim.

2. The Superintendent of Public Instruction shall appoint such number of members of the Working Group as he or she determines is appropriate to carry out the duties of the Working Group, but not less than:

(a) One-half of the members of the Working Group must:

(1) Be teachers licensed pursuant to chapter 391 of NRS;

(2) Teach at a public elementary or secondary school in this State; and

(3) Have knowledge of the use of artificial intelligence systems in education;

(b) One member must be a classified employee of a school district other than a licensed teacher;

(c) One member must be the administrator of a public school;

(d) One member must be an administrator of a school district;

(e) One member must be a member of the faculty of a university, college or community college who has a expertise in artificial intelligence systems and their uses in education;

(f) One member must be a representative of private business or industry who has expertise in artificial intelligence systems and their uses in education; and

(g) Five members must be pupils enrolled in a public school who are representative of a variety of demographic groups and of which one member must be an at-risk pupil, as defined in NRS 387.1211, one member must be enrolled in a magnet school and one member must be enrolled in a charter school.

3. The Superintendent of Public Instruction shall designate the Chair and Vice Chair of the Working Group. A majority of the members of the Working Group constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Working Group.

4. The Working Group shall, during the 2025-2026 interim:

(a) Conduct an assessment of the current and future state of the use of artificial intelligence systems in education;

(b) Develop guidance for school districts and charter schools on the safe use of artificial intelligence systems in education; and

(c) Develop a model policy for school districts and charter schools regarding the safe and effective use of artificial intelligence systems in a manner that benefits and does not negatively impact pupils and teachers.

5. The assessment required by paragraph (a) of subsection 4 must:

(a) Assess the current state of artificial intelligence systems used by school districts and charter schools, including, without limitation, an assessment of:

(1) The artificial intelligence systems most commonly in use in school districts and charter schools, including, without limitation:

(I) The typical cost of those systems;

(II) The ownership structure of those systems;

(III) The ownership structure of material created by pupils and employees through the use of those systems;

(IV) The licensing agreements for the use of those systems;

(V) The ability to access source code for those systems; and

(VI) The degree to which teachers were involved in the decision to use those systems;

(2) The extent to which artificial intelligence systems are a topic of instruction in developing class content; and

(3) Potential developments in the use of artificial intelligence systems in education;

(b) Identify current uses of artificial intelligence systems in educational settings, including, without limitation:

(1) Uses of artificial intelligence systems in a manner that is human-centered and that aids, furthers and improves teaching, learning and the work of teachers, including, without limitation, in a manner that does not exacerbate existing inequities;

(2) Uses of artificial intelligence systems in a manner that serves as a replacement for humans and which may negatively impact the development of pupils, jeopardize the security of data relating to pupils or put the jobs of teachers at risk; and

(3) Uses of strategies to ensure that there is sufficient opportunity for stakeholders to offer meaningful feedback before any form of an artificial intelligence system is introduced to pupils and teachers;

(c) Identify ways in which the State may support teachers in developing and sharing effective practices for the use of artificial intelligence systems that minimize risk and maximize benefits to pupils and teachers, which may include, without limitation, the establishment of committees or other similar bodies to study issues relating to the use of artificial intelligence systems in education; and

(d) On or before January 1, 2027, be submitted, along with any findings and recommendations relating to the assessment, to the Director of the Legislative Counsel Bureau for transmittal to the 84th Session of the Legislature.

6. The guidance required by paragraph (b) of subsection 4 must:

(a) Address the following subjects concerning the use of artificial intelligence systems:

(1) Academic integrity and plagiarism;

(2) Acceptable and unacceptable uses of artificial intelligence systems for pupils and teachers;

(3) The security and privacy of data relating to pupils and teachers;

(4) Access by parents or guardians to information that pupils have inputted into an artificial intelligence system; and

(5) The procurement of software to ensure the safety and privacy of pupils and teachers and the protection of data relating to pupils and teachers; and

(b) On or before January 1, 2026, be posted on the Internet website of the Department of Education.

7. The model policy required by paragraph (c) of subsection 4 must address the following subjects concerning the use artificial intelligence systems:

(a) Academic integrity and plagiarism;

(b) Acceptable and unacceptable uses of artificial intelligence systems for pupils and teachers;

(c) The security and privacy of data relating to pupils and teachers;

(d) The use of artificial intelligence systems for the purposes of lesson planning;

(e) Access by parents or guardians to information that pupils have inputted into an artificial intelligence system;

(f) The procurement of software to ensure the safety and privacy of pupils and teachers and the protection of data relating to pupils and teachers;

(g) The effective use of artificial intelligence systems to support, and avoid risk to, teaching and learning;

(h) Effective strategies to ensure that artificial intelligence systems do not exacerbate existing inequities in the education system; and

(i) Effective strategies for professional development for teachers on the use of artificial intelligence systems.

8. In conducting the assessment required by paragraph (a) of subsection 4, the Working Group shall:

(a) Solicit input from teachers and pupils concerning their experiences in using artificial intelligence systems; and

(b) Conduct at least three public meetings to solicit input from pupils, families and other relevant stakeholders.

9. The Working Group shall comply with the provisions of chapter 241 of NRS and shall conduct all meetings and activities in accordance with that chapter.

10. The Department of Education shall provide the Working Group with such administrative support as is necessary to assist the Working Group in carrying out its duties pursuant to this section.

11. As used in this section, "artificial intelligence system" has the meaning ascribed to it in section 4 of this act.

Sec. 27. The provisions of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 28. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 27, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2026, for all other purposes.

3. Sections 7 and 8 of this act expire by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

➥ are repealed by the Congress of the United States.

㉚