



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3529

Introduced 2/18/2025, by Rep. Janet Yang Rohr

SYNOPSIS AS INTRODUCED:

New Act

Creates the Illinois High-Impact AI Governance Principles and Disclosure Act. Makes findings. Defines terms. Requires the Department of Innovation and Technology to adopt rules regulating businesses that use AI systems to ensure compliance with the 5 principles of AI governance. Lists the 5 principles of AI governance. Requires the Department to adopt rules to ensure that a business that uses an AI system publishes a report on the business's website, with certain requirements. Provides for a civil penalty for violations. Limits applicability to businesses with 10 or more employees. Effective January 1, 2026.

LRB104 09752 BDA 19818 b

1 AN ACT concerning artificial intelligence.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois High-Impact AI Governance Principles and Disclosure
6 Act.

7 Section 5. Findings. The widespread usage of AI systems
8 has raised several public concerns, including the potential
9 for AI systems to perpetuate biases, produce non-transparent
10 decisions, and cause unintended consequences. These issues can
11 result in significant harm to individuals and communities.

12 Section 10. Definitions. In this Act:

13 "Artificial intelligence system" or "AI system" means a
14 system that can work on its own to some extent, that uses data
15 provided by humans or machines to figure out how to achieve
16 specific goals set by humans, that does this using methods
17 like machine learning or rules based on logic and knowledge,
18 and that creates and outputs content, predictions,
19 recommendations, or decisions, which can affect the world
20 around it.

21 "Business" means a person engaged in commercial,
22 industrial, or professional activities. "Business" includes a

1 for-profit entity and a non-profit organization.

2 Section 15. Five principles of AI governance. To address
3 the concerns detailed in the findings in Section 5 of this Act
4 and to ensure that negative impacts of AI system use are
5 prevented, the Department of Innovation and Technology shall
6 adopt rules as may be necessary to ensure that businesses
7 using AI systems are compliant with the 5 principles of AI
8 governance as follows:

9 (1) Safety: Ensuring systems operate without causing
10 harm to individuals.

11 (2) Transparency: Providing clear and understandable
12 explanations of how systems work and make decisions.

13 (3) Accountability: Identifying and holding
14 individuals or companies responsible for the system's
15 performance and outcomes.

16 (4) Fairness: Preventing and mitigating bias to ensure
17 equitable treatment for all individuals.

18 (5) Contestability: Allowing individuals to challenge
19 and seek redress for decisions made by the system.

20 Section 20. Public disclosure requirement.

21 (a) The Illinois Department of Innovation and Technology
22 shall adopt rules to ensure that a business using an AI system
23 in Illinois publishes on the business's official Internet
24 website accessible to the public a report explaining

1 compliance with the 5 principles of AI governance iterated in
2 this Act. This report shall:

3 (1) be updated annually and whenever significant
4 changes are made to the AI system, such as modifications
5 to algorithms, substantial alterations to data inputs, or
6 shifts in operational contexts, additional significant
7 change shall be established by the Department of
8 Innovation and Technology;

9 (2) include information on the design, major decisions
10 made during the design process (such as testing metrics),
11 training data, risk mitigation strategies, and any impact
12 assessments conducted; and

13 (3) be written in plain language to ensure
14 accessibility for the general public, while also providing
15 a more detailed explanation for specialized audiences;
16 this 2-level approach ensures clarity for everyone while
17 offering enough depth for those who may need to understand
18 or challenge the system or its outputs, such as in cases of
19 fairness or discrimination.

20 (b) Any business using AI systems shall be subject to a
21 civil penalty of \$1,000 for violation of this Act or rules
22 adopted under this Act unless the business (1) properly
23 complies with the provisions of this Act and (2) publicly
24 discloses compliance with the provisions of this Act.

25 Section 25. Applicability. This Act applies to all

1 businesses with 10 or more employees.

2 Section 99. Effective date. This Act takes effect January
3 1, 2026.