



AI State-Level Risk Assessment: What Businesses Need to Know, Expect, and Do Heading into 2024

AI has reached an inflection point. Fast implementation of AI touching virtually every industry has been met with both awe and criticism as AI continues to be integrated widely into business and daily life faster than most people realize. Now legislators are playing catch up.



Key Findings

AI is not the first disruptive tech to make waves.

Many lawmakers regret not placing stronger data privacy and security guardrails around cell phones and social media, leading many in hindsight to urge restraint on what is safe, private, and fair with AI.

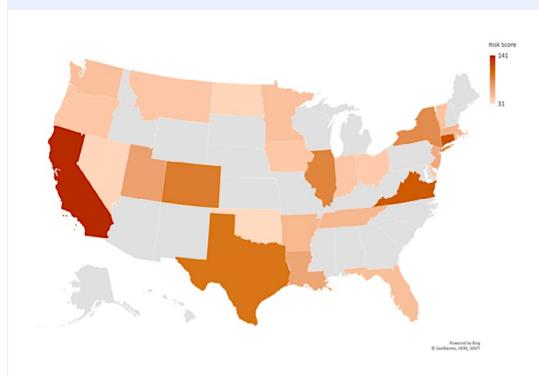
There is a vast knowledge and information gap.

Companies at the forefront are operating in uncharted territory and need to anticipate and adapt to pushback. Even periphery companies need to understand how political and regulatory implications impact their investments, the tools they use in their business, and the broader direction of the economy.

States are running point on passing meaningful AI legislation.

Congress has bipartisan aspirations, but gridlock over issues like tech privacy makes progress unlikely. Additionally, cultural wars heading into the 2024 election will widen the partisan divide on issues like algorithmic discrimination and political censorship on social media, leaving states to take on the meat of the regulation.

Assessed Risk By State



In 2023, a handful of states like California, Colorado, Connecticut, and New York have established early AI guardrails. This legislative trickle is expected to become a tidal wave in 2024.



Quantifying Risks

Several states are at significant risk for enacting technology and AI-related regulations that may impact building, investing in, or using AI technology. Issues targeted for regulation include:

- Data privacy
- Competition
- Job loss
- Misinformation/content moderation
- Discrimination
- Children's safety
- Malicious use
- Transparency



What to Do Next

Understand how policy is unfolding. 2023 provided early indication of policy trends, but 2024 will usher in a whole new wave of political agendas tied to the campaign trail.

Stakeholders will be more important than ever.

Most businesses support some regulation of AI, but where the lines are drawn can have direct impact on your stakeholders and your bottom line. Organizations that engage with employees, suppliers, customers, partners, and lawmakers to align on AI usage specific to their business will be a step ahead as they navigate a complex patchwork of state legislation.

Our national state-level risk assessment provides a road map for high-risk states where legislation could impact how you do business.

To learn more, visit <https://ddcpublicaffairs.com/artificial-intelligence-risk-assessment/> or email info@ddcpublicaffairs.com.

