

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.

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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 collect 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:**

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

6 **Sections 6-12** of this bill provide for the registration and regulation of  
7 “artificial intelligence companies,” which **section 3** of this bill defines to mean, in  
8 general, a person who develops an artificial intelligence system and either sells the



9 system to another person or enters into a contractual arrangement with another  
10 person to allow customers of the person to use the artificial intelligence system.  
11 **Section 6** requires an artificial intelligence company to be registered with the  
12 Bureau of Consumer Protection in the Office of the Attorney General. **Sections 6-8**  
13 set forth various requirements for the issuance and renewal of such a registration.

14 **Section 9** requires an artificial intelligence company to develop, implement and  
15 maintain certain policies, procedures and protocols. **Section 10** requires an artificial  
16 intelligence company to conduct a semiannual self-assessment and submit the  
17 results of the self-assessment to the Bureau. **Section 11** authorizes the Bureau to  
18 impose certain penalties for violations of the provisions of **sections 6-10**. **Section**  
19 **12** authorizes the Bureau to adopt regulations to carry out the provisions of **sections**  
20 **6-11**.

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

25 **Section 14** of this bill requires the operator of a search website that provides  
26 users both a method to conduct a search that uses an artificial intelligence system  
27 and a method that does not use an artificial intelligence system to: (1) require a user  
28 to opt in to use the method that uses an artificial intelligence system; and (2) allow  
29 a user that does not opt in to continue to use the method that does not use an  
30 artificial intelligence system so long as the operator offers the method.

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

35 **Section 16** of this bill requires the Department of Employment, Training and  
36 Rehabilitation to collect information concerning the number and type of jobs that  
37 have been lost in this State because of the use of artificial intelligence systems and  
38 submit an annual report to the Governor and the Legislature regarding the  
39 information collected.

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

44 **Section 18** of this bill prohibits a peace officer from using an artificial  
45 intelligence system to generate an investigative or police report.

46 **Section 19** of this bill prohibits, with certain exceptions, certain teachers from  
47 using an artificial intelligence system to generate a class lesson plan. **Section 26** of  
48 this bill requires the Superintendent of Public Instruction to establish the Working  
49 Group on the Use of Artificial Intelligence Systems in Education to conduct an  
50 assessment and develop certain policies and guidance relating to the use of artificial  
51 intelligence systems during the 2025-2026 interim.

52 The Nevada Unfair Trade Practice Act sets forth various activities that  
53 constitute an unlawful contract, combination or conspiracy in restraint of trade and  
54 authorizes the Attorney General to investigate and take certain actions against  
55 persons who engage in such activities, which may include, without limitation,  
56 criminal prosecution and the imposition of civil penalties. (Chapter 598A of NRS)  
57 **Section 20** of this bill includes among the activities that constitute an unlawful  
58 contract, combination or conspiracy in restraint of trade the establishment by a  
59 landlord of a price for rent for a dwelling unit that is based upon a recommendation  
60 provided by certain artificial intelligence systems that generate recommended  
61 prices for rent using certain nonpublic information provided by multiple landlords.

62 **Section 21** of this bill prohibits a financial institution from using any data  
63 collected by the financial institution relating to the finances of a customer to train



64 an artificial intelligence system developed by the financial institution or providing  
65 such data to an artificial intelligence company without providing certain notice and  
66 obtaining the consent of the customer to whom such data relates. **Section 24** of this  
67 bill similarly prohibits an insurer from using any data collected by the insurer  
68 relating to the health of an insured to train an artificial intelligence system  
69 developed by the insurer without providing certain notice and obtaining the consent  
70 of the customer to whom such data relates.

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

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

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

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

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

7 **Sec. 3.** *“Artificial intelligence company” means a person*  
8 *who:*

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

11 *2. Develops an artificial intelligence system; and*

12 *3. Either:*

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

14 *(b) Enters into a contractual arrangement with another person*  
15 *to allow customers of the person to use the artificial intelligence*  
16 *system.*

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

23 **Sec. 5.** *“Bureau” means the Bureau of Consumer Protection*  
24 *in the Office of the Attorney General.*

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



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

5       (a) *The name and address of the applicant;*

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

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

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

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

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

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

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

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

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

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

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

36      (b) *A separate form prescribed by the Bureau.*

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

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

41      (b) *Indicates on the statement submitted pursuant to*  
42 *subsection 1 that the applicant is subject to a court order for the*  
43 *support of a child and is not in compliance with the order or a*  
44 *plan approved by the district attorney or other public agency*



1 *enforcing the order for the repayment of the amount owed*  
2 *pursuant to the order.*

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

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

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

31 **Sec. 9.** *An artificial intelligence company shall develop,*  
32 *implement and maintain policies, procedures and protocols to*  
33 *protect against:*

34 *1. The existence of bias in the performance of an artificial*  
35 *intelligence system;*

36 *2. The generation of hate speech by an artificial intelligence*  
37 *system;*

38 *3. The use of an artificial intelligence system for the purpose*  
39 *of bullying;*

40 *4. The dissemination of misinformation by an artificial*  
41 *intelligence system; and*

42 *5. The commission of fraud, identity theft or other similar*  
43 *crimes through the use of an artificial intelligence system.*



1     **Sec. 10.** *An artificial intelligence company shall, at least*  
2 *twice per year in accordance with a schedule and procedures*  
3 *prescribed by the Bureau:*

4         1. *Conduct a self-assessment to determine whether the*  
5 *artificial intelligence systems of the company are properly*  
6 *functioning and whether the company is in compliance with all*  
7 *applicable laws and regulations governing artificial intelligence*  
8 *companies; and*

9         2. *Submit to the Bureau the results of the self-assessment*  
10 *conducted pursuant to subsection 1.*

11     **Sec. 11.** *If an artificial intelligence company violates any*  
12 *provision of sections 6 to 10, inclusive, of this act, the Bureau*  
13 *may:*

14         1. *For a first violation within the immediately preceding 2*  
15 *years, impose a civil penalty of not more than \$5,000 for each*  
16 *violation and treble the amount of actual damages caused by the*  
17 *violation.*

18         2. *For a second violation within the immediately preceding 2*  
19 *years, suspend the registration of the artificial intelligence*  
20 *company.*

21         3. *For a third or subsequent violation within the immediately*  
22 *preceding 3 years, revoke the license of the artificial intelligence*  
23 *company.*

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

26     **Sec. 13.** *A person who sells computer software that is*  
27 *capable of generating legal documents through the use of an*  
28 *artificial intelligence system must ensure that each legal document*  
29 *generated by the software is reviewed by an attorney who is*  
30 *licensed in this State before the document is provided to a*  
31 *customer in this State.*

32     **Sec. 14.** 1. *If the operator of a search website provides*  
33 *users in this State with both a method to conduct a search that*  
34 *uses an artificial intelligence system and a method to conduct a*  
35 *search that does not use an artificial intelligence system, the*  
36 *operator must require a user to opt in before utilizing the method*  
37 *that uses an artificial intelligence system. If a user does not opt in,*  
38 *the operator shall allow the user to utilize the method that does not*  
39 *use an artificial intelligence system so long as the operator offers*  
40 *that method to users in this State.*

41         2. *As used in this section, "search website" means an Internet*  
42 *website that searches for and identifies information on the*  
43 *Internet that corresponds to keyword or characters specified by a*  
44 *user. The term includes, without limitation, an Internet website*



1 *with the functionality to enable a user to search for only*  
2 *information that is contained on the Internet website itself.*

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

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

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

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

14 **Sec. 16.** 1. *The Department of Employment, Training and*  
15 *Rehabilitation shall collect information from employers in this*  
16 *State concerning the number and type of jobs that have been lost*  
17 *because of the use of artificial intelligence systems.*

18 2. *Upon the request of the Department, an employer shall*  
19 *provide to the Department information concerning the number*  
20 *and type of jobs that the employer has eliminated because of the*  
21 *use by the employer of an artificial intelligence system.*

22 3. *On or before December 1 of each year, the Department*  
23 *shall compile the information collected by the Department*  
24 *pursuant to this section into a report and submit the report to:*

25 (a) *The Governor; and*

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

31 4. *For the purposes of this section, the use of an artificial*  
32 *intelligence system by an employer to temporarily fulfill the job*  
33 *duties of an employee who is temporarily absent from employment*  
34 *does not constitute a job that has been lost because of the use of*  
35 *an artificial intelligence system.*

36 5. *The Department may adopt regulations to carry out the*  
37 *provisions of this section.*

38 6. *As used in this section:*

39 (a) *“Department” means the Department of Employment,*  
40 *Training and Rehabilitation.*

41 (b) *“Employer” includes a public employer and a private*  
42 *employer.*



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

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

8     2. *As used in this section, “artificial intelligence system” has*  
9     *the meaning ascribed to it in section 4 of this act.*

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

12    1. *A peace officer shall not use an artificial intelligence*  
13    *system to generate an investigative or police report.*

14    2. *As used in this section, “artificial intelligence system” has*  
15    *the meaning ascribed to it in section 4 of this act.*

16    **Sec. 19.** Chapter 389 of NRS is hereby amended by adding  
17    thereto a new section to read as follows:

18    1. *A teacher who provides instruction in a public school in*  
19    *kindergarten or any grade from grades 1 to 12, inclusive, shall not*  
20    *use an artificial intelligence system to generate any class lesson*  
21    *plan.*

22    2. *The provisions of subsection 1 do not apply to a class*  
23    *lesson plan involving the provision of instruction in the subject of*  
24    *artificial intelligence systems.*

25    3. *As used in this section, “artificial intelligence system” has*  
26    *the meaning ascribed to it in section 4 of this act.*

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

28    598A.060 1. Every activity enumerated in this subsection  
29    constitutes a contract, combination or conspiracy in restraint of  
30    trade, and it is unlawful to conduct any part of any such activity in  
31    this State:

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

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

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

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

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

43    (5) Agreements not to sell below cost.

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

45    (7) Establishment of uniform cost surveys.





1 (8) Establishment of minimum markup percentages.

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

4 (10) Agreements not to advertise prices.

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

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

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

15 (14) Agreements to restrict volume of production.

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

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

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

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

28 (f) Except as otherwise provided in subsection 2, consolidation,  
29 conversion, merger, acquisition of shares of stock or other equity  
30 interest, directly or indirectly, of another person engaged in  
31 commerce in this State or the acquisition of any assets of another  
32 person engaged in commerce in this State that may:

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

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

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

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



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

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

10 **3. As used in this section:**

11 (a) *“Artificial intelligence system” has the meaning ascribed to*  
12 *it in section 4 of this act.*

13 (b) *“Dwelling unit” has the meaning ascribed to it in*  
14 *NRS 118A.080.*

15 (c) *“Landlord” has the meaning ascribed to it in*  
16 *NRS 118A.100.*

17 (d) *“Rent” has the meaning ascribed to it in NRS 118A.150.*

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

20 **1.** *A financial institution shall not use any data collected by*  
21 *the financial institution relating to the finances of a customer of*  
22 *the financial institution to train an artificial intelligence system*  
23 *developed by the financial institution or provide such data to an*  
24 *artificial intelligence company unless:*

25 (a) *The financial institution has obtained the affirmative,*  
26 *voluntary consent of the customer to whom such data relates; and*

27 (b) *Before giving the consent specified in paragraph (a), the*  
28 *customer has been provided with a clear and conspicuous*  
29 *statement informing the customer that:*

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

32 (2) *The customer has the right to withhold his or her*  
33 *consent.*

34 **2. As used in this section:**

35 (a) *“Artificial intelligence company” has the meaning ascribed*  
36 *to it in section 3 of this act.*

37 (b) *“Artificial intelligence system” has the meaning ascribed to*  
38 *it in section 4 of this act.*

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

40 657.150 As used in NRS 657.150 to 657.290, inclusive, *and*  
41 *section 21 of this act* unless the context otherwise requires, the  
42 words and terms defined in NRS 657.160 and 657.170 have the  
43 meanings ascribed to them in those sections.



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

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

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

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

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

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

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

17    **Sec. 25.** *1. An insurer shall adopt practices designed to*  
18    *ensure that the use of an artificial intelligence system by the*  
19    *insurer does not result in the commission of an unfair or deceptive*  
20    *trade practice in violation of the provisions of NRS 686A.010 to*  
21    *686A.310, inclusive.*

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

25    (i) Be in writing; and

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

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

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

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

44    2. The Superintendent of Public Instruction shall appoint such  
45    number of members of the Working Group as he or she determines



1 is appropriate to carry out the duties of the Working Group, but not  
2 less than:

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

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

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

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

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

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

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

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

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

19 (g) One member must be a pupil enrolled in a public school.

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

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

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

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

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

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

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

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

42 (I) The typical cost of those systems;

43 (II) The ownership structure of those systems;

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



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

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

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

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

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

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

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

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

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

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

31 (d) On or before January 1, 2027, be submitted, along with any  
32 findings and recommendations relating to the assessment, to the  
33 Director of the Legislative Counsel Bureau for transmittal to the  
34 84th Session of the Legislature.

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

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

39 (1) Academic integrity and plagiarism;

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

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

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



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

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

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

9 (a) Academic integrity and plagiarism;

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

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

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

16 (e) The procurement of software to ensure the safety and privacy  
17 of pupils and teachers and the protection of data relating to pupils  
18 and teachers;

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

15 ➔ are repealed by the Congress of the United States.



