

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-2

AN ACT CONCERNING ARTIFICIAL INTELLIGENCE.

As Amended by Senate "A" (LCO 3940), Senate "B" (LCO 4463)
Senate Calendar No.: 132

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Attorney General	GF - Cost	None	640,000
State Comptroller - Fringe Benefits ¹	GF - Cost	None	260,000
Judicial Dept. (Probation); Correction, Dept.	GF - Potential Cost	Minimal	Minimal
Department of Economic & Community Development	GF - Cost	None	25,000
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill creates a regulatory structure relative to Artificial Intelligence beginning February 1, 2026, and (**Section 7**) requires the Office of the Attorney General (OAG) to enforce it. Additional staffing would be necessary in the OAG to carry out the mandate, at an estimated annual cost of up to \$0.9 million including fringe benefits beginning in FY 26.

Sections 9 and 10 create new misdemeanors and felonies for the distribution of deceptive synthetic media and images under certain

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

circumstances which results in a potential cost to the Department of Correction and the Judicial Department for incarceration or probation and a potential revenue gain from fines. On average, the marginal cost to the state for incarcerating an offender for the year is \$3,300² while the average marginal cost for supervision in the community is less than \$800³ each year for adults and \$1,000 each year for juveniles.

Section 15 results in a one-time cost of \$25,000 in FY 26 by requiring DECD to host the “CT AI Symposium” amongst academia, government and industry to establish and promote AI businesses in this state. The actual cost will depend upon the number of participants and the location of the event

Sections 18 and 19 expand the Technology Talent and Advisory Committee by allowing them to develop programs in the field of artificial intelligence, including, but not limited to, in areas such as prompt engineering, artificial intelligence marketing for small businesses and artificial intelligence for small business operations. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds authorized for the Manufacturing Assistance Act, available to the Technology Talent and Advisory Committee, to be expended more rapidly than they otherwise would have been. The bill does not change GO bond authorizations relevant to the program.

Senate Amendments "A" and "B" strike the original language of the bill and result in the fiscal impacts described above.

The Out Years

The annualized ongoing fiscal impact identified above would

²Inmate marginal cost is based on increased consumables (e.g., food, clothing, water, sewage, living supplies, etc.) This does not include a change in staffing costs or utility expenses because these would only be realized if a unit or facility opened.

³Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.

continue into the future subject to the number of violations, the terms of any bonds issued, and inflation.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.