

HB 1725-FN - AS INTRODUCED

2026 SESSION

26-2812
06/08

HOUSE BILL ***1725-FN***

AN ACT relative to the regulation of artificial intelligence technologies.

SPONSORS: Rep. Long, Hills. 26

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill establishes a new chapter to regulate the development, deployment, and use of artificial intelligence in New Hampshire.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough.]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to the regulation of artificial intelligence technologies.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Chapter; Responsible Artificial Intelligence Governance. Amend RSA by inserting after
2 chapter 359-U the following new chapter:

3 CHAPTER 359-V

4 RESPONSIBLE ARTIFICIAL INTELLIGENCE GOVERNANCE

5 359-V:1 Definitions. In this chapter:

6 I. "Artificial intelligence system" means any machine-based system that, through machine
7 learning, neural networks, or other adaptive algorithmic techniques, is capable of learning from
8 data, improving performance, or making autonomous decisions or predictions. This term excludes
9 classical statistical tools, rule-based expert systems, deterministic algorithms, and control systems
10 without adaptive or autonomous features.

11 II. "Biometric identifier" means a retina or iris scan, fingerprint, voiceprint, or record of
12 hand or face geometry.

13 III. "Council" means the New Hampshire artificial intelligence council established pursuant
14 to this chapter.

15 IV. "Consumer" means an individual residing in this state acting in an individual or
16 household context.

17 359-V:2 Applicability.

18 I. This chapter shall apply to any person, business, or governmental entity conducting
19 business in New Hampshire, offering products or services to state residents, or developing or
20 deploying artificial intelligence systems in this state.

21 II. This chapter supersedes and preempts any ordinance, regulation, or rule adopted by a
22 political subdivision regarding the use of artificial intelligence systems, unless expressly authorized
23 by state law.

24 359-V:3 Administration and Council.

25 I. There is established the New Hampshire artificial intelligence council, administratively
26 attached to the department of information technology.

27 II. The council shall include 7 members: 3 appointed by the governor, 2 by the senate
28 president, and 2 by the speaker of the house. All members shall have demonstrated expertise in
29 artificial intelligence, ethics, data privacy, public policy, or related fields.

1 III. The council shall advise the state on ethical and transparent development, deployment,
2 and oversight of artificial intelligence systems, including annually reporting to the governor and
3 legislature.

4 359-V:4 General Duties and Prohibitions.

5 I. State agencies and any person subject to this chapter shall:

6 (a) Provide clear and conspicuous disclosure to consumers when interacting with an
7 artificial intelligence system, including in health care contexts except in emergencies, in which case
8 notice shall be provided as soon as practicable.

9 (b) Not develop or deploy an artificial intelligence system with the intent to unlawfully
10 discriminate against protected classes under state or federal law. Disparate impact alone is
11 insufficient to demonstrate intent.

12 (c) Not develop or deploy an artificial intelligence system for the purpose of social
13 scoring, manipulation aimed at causing self-harm or criminal acts, or infringing rights under the
14 United States or New Hampshire constitutions.

15 II. Governmental entities shall not deploy artificial intelligence systems for the purpose of
16 uniquely identifying individuals using biometric identifiers or collecting biometric data from publicly
17 available sources without valid consent, unless otherwise permitted for security, law enforcement, or
18 fraud prevention.

19 359-V:5 Regulatory Sandbox.

20 I. There is established an artificial intelligence regulatory sandbox program, administered
21 by the department of information technology in consultation with the council.

22 II. The sandbox enables approved participants to test innovative artificial intelligence
23 systems on a limited basis for up to 36 months, subject to oversight and quarterly reporting
24 requirements. No waiver is permitted for prohibitions under RSA 359-V:4.

25 III. The department may recommend participants be removed from the program for undue
26 risk to public safety or violations of applicable laws.

27 359-V:6 Enforcement.

28 I. The attorney general shall have exclusive authority to enforce this chapter.

29 II. Upon determination of a violation, the attorney general shall provide written notice,
30 allowing 60 days for cure. Civil penalties for uncured violations may be imposed up to \$200,000 per
31 violation, and for continuing violations, up to \$40,000 per day. Enhanced penalties apply for
32 systematic or egregious conduct.

33 III. No private right of action is created by this chapter.

34 359-V:7 Severability. If any provision of this chapter or the application thereof to any person or
35 circumstance is held invalid, such invalidity shall not affect other provisions or applications of this
36 chapter which can be given effect without the invalid provision or application.

37 2 Effective Date. This act shall take effect January 1, 2027.

**HB 1725-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the regulation of artificial intelligence technologies.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Indeterminable Increase		
<i>Revenue Fund(s)</i>	DOJ Agency Income			
Expenditures*	\$0	Indeterminable Increase \$235,000+	Indeterminable Increase \$237,000+	Indeterminable Increase \$243,000+
<i>Funding Source(s)</i>	DOJ Agency Income, General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill establishes the Responsible Artificial Intelligence (AI) Governance law to regulate the development, deployment, and use of artificial intelligence in New Hampshire.

The Department of Information Technology (DoIT) indicates that the bill's language largely overlaps with existing statutes (RSA 5-D) governing Executive Branch agency use of AI. DoIT states it can manage the AI Council, host biannual meetings, and publish results online, as already required under current law. Expanding applicability beyond Executive Branch agencies fall outside DoIT's statutory requirements and expertise. Consequently, DoIT is unable to determine the financial impact of these broader responsibilities, rendering state expenditure estimates indeterminable. While the regulatory sandbox concept is already being implemented in collaboration with agencies, the bill's language is too vague to assess additional costs. Additionally, DoIT states that its existing budget cannot absorb any new expenses, and full implementation would necessitate the creation of a statewide AI oversight and enforcement body, representing a substantial undertaking.

The Department of Justice (DOJ) indicates that this bill would significantly increase the Department's responsibilities by requiring it to investigate and enforce violations related to AI use. The Department anticipates a rise in complaints and enforcement actions and estimates it

would need at least one additional attorney and one investigative paralegal to meet these obligations. The fiscal impact is considered indeterminable due to uncertainty about the volume of cases, but estimated costs for staffing and related expenses range from \$235,000 in FY 2026, \$235,000 in FY 2027, and \$243,000 in FY 2028. See the cost breakdown by position below. Additionally, revenue from penalties is uncertain as the bill gives the violator 60 days from the written notice from the Attorney General to fix the violation. The Department can charge up to \$200,000 per violation.

ESTIMATED FISCAL IMPACT (ROUNDED)			
	FY 2026	FY 2027	FY 2028
Investigative Paralegal Salary, Benefits, Other Costs (computer, etc) (1 position)	\$98,000	\$99,000	\$103,000
Full-Time Attorney Salary, Benefits, Other Costs (computer, etc)(1 position)	\$137,000	\$138,000	\$140,000
Total Estimated Cost	\$235,000	\$237,000	\$243,000

AGENCIES CONTACTED:

Department of Justice and Department of Information Technology