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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 628**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 628's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. T. Mathews

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill establishes a licensing framework under which the Attorney General licenses Independent Verification Organizations (IVOs) authorized to evaluate artificial intelligence (AI) models and applications using the metrics and procedures specified in the bill. The Attorney General will incur administrative costs to adopt rules, process applications, and oversee licensees. These costs may be offset, in whole or in part, by application and renewal fees established in rule.
- The Attorney General may convey powers and duties, including licensing IVOs, to the Artificial Intelligence Safety Advisory Council, created by the bill. The Attorney General must determine the appropriate size of the Advisory Council. Members may be reimbursed for actual and necessary expenses and may receive compensation.
- Both IVO licensure and IVO verification are voluntary. However, the bill provides a rebuttable presumption against civil liability for developers and deployers whose AI models or applications have been verified. Given the emerging nature of the technology addressed in the bill, the number of civil cases that may be impacted is expected to be very small, at least in the near term.

### **Detailed Analysis**

The bill establishes a regulatory framework (as described in the [LSC bill analysis](#)) under which the Attorney General licenses Independent Verification Organizations (IVOs). An IVO is an entity authorized under the bill to evaluate artificial intelligence (AI) models and applications using the risk mitigation metrics and monitoring procedures specified in the bill to prevent personal injury and property damage. There is no requirement that any entity obtain licensure as an IVO and no requirement that AI models or applications seek IVO verification. The bill

explicitly states that nothing in the bill requires an AI model or artificial intelligence application to seek verification from an independent verification organization. Although AI developers and deployers are not required to seek verification, they may be incentivized to do so for protection against civil liability.

## **Attorney General**

The bill requires the Attorney General to establish and administer the IVO licensure program and creates a new Artificial Intelligence Safety Advisory Council within the office to assist with related oversight duties. These requirements will result in new administrative responsibilities and associated costs for the Attorney General.

The Attorney General will incur minimal one-time costs to develop and adopt the required rules and to establish the program's procedures, forms, and related processes. Once the program is operational, the Attorney General will experience ongoing costs to receive and review applications, determine applicant eligibility, issue and annually renew licenses, maintain licensing records, verify annual reports submitted by licensees (likely in coordination with the Auditor of State), and conduct required audits. The Attorney General will also need to review and, when appropriate, deny material changes to IVO risk mitigation verification plans submitted for licensure. The magnitude of these costs will depend on the number of licensed entities and the volume of information reported annually, as well as the frequency of revocation actions.

The new Artificial Intelligence Safety Advisory Council will assist, or exercise delegated authority from, the Attorney General regarding IVOs. Council members are eligible for reimbursement for actual and necessary expenses and may receive compensation for carrying out their duties. The magnitude of these costs will depend on the extent of the Council's involvement in licensing-related activities, the number of meetings held, the type of resources and supports needed, and factors such as the size of the Council and whether any compensation is provided to its members.

The Attorney General is permitted to charge reasonable application and renewal fees to help offset the cost to administer the program. Because fee revenue will not be collected until licenses are issued, the office may need to rely on existing operating appropriations to support initial activities. The bill does not specify a fund for the deposit of fee revenue.

## **Rebuttable presumption against liability**

The bill establishes a rebuttable presumption against liability in civil litigation regarding personal injury or property damage caused by a verified AI model or system and provides for how the presumption may be rebutted. These provisions may decrease the number of civil actions filed with local courts or expedite the dismissal of claims filed, minimally reducing the workload of any affected court. Any resulting cost savings will be offset by a reduction in revenues in the form of fees and court costs. However, given the emerging nature of the technology addressed in the bill, the number of such cases is expected to be very small, at least in the near term.