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News & Types: Employment, Labor & Benefits Update

The Expansion of State Artificial Intelligence Laws

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Practices: Employment, Labor & Benefits

There is no denying that Artificial Intelligence (AI) is rapidly reshaping the U.S. labor market and is here to stay. Being used in everything from recruitment to employee management, AI utilization is becoming mainstream at most workplaces. There is currently a growing patchwork of AI laws across states including Illinois, Colorado, California, Connecticut, Minnesota, New York City, Texas and Utah. Each AI law differs in scope, notice, enforcement and audit requirements, creating complexities for multi-state employers.

Considering the current absence of any federal law governing the use of AI in employment, multi-state employers with operations or employees in any of the above states should consider undertaking the following actions:

- Assessing how they utilize AI tools across the employment lifecycle;
- Implementing notice and consent protocols for candidates and employees;
- Implementing human oversight on AI-decisions;
- Developing an internal AI policy to clearly define permitted and prohibited uses of AI in the workplace;
- Conducting bias audits; and
- Reviewing and updating vendor contracts to ensure compliance with applicable AI laws.

As AI laws continue to proliferate rapidly, employers should regularly monitor legal developments and assess their AI-related practices to help mitigate potential risk.

If you have questions about the applicability of AI laws to your workplace and potential compliance measures to adopt, please contact Naureen Amjad or a member of Masuda Funai's Employment, Labor & Benefits Practice.

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