

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2341 – SB 2461**

March 11, 2024

**SUMMARY OF BILL:** Requires each department of the executive branch to develop a plan to prevent the malicious and unlawful use of artificial intelligence (AI). Requires the departments to report on their plans, findings, and recommendations to the General Assembly by January 1, 2025.

**FISCAL IMPACT:**

**Increase State Expenditures – \$1,541,500/FY24-25**

Assumptions:

- It is assumed that executive branch agencies do not have the expertise to effectively develop the plans required of this legislation.
- Strategic Technology Solutions (STS) is currently engaged in assessments of AI to ensure all state information resources are protected against unauthorized access, codification, destruction, or disclosure and to ensure that the processes align with federal and state standards.
- Because STS has the expertise in AI technology, they can act as an intermediary for the other executive departments. Due to the extent of the work and the January 1, 2025 reporting deadline, STS will consult with a private entity to complete the work.
- Pursuant to information provided by STS, the competitively bid contract is estimated to be \$1,541,531 (6,830 hours x \$225.70 per hour) in FY24-25.
- Each of the 23 executive departments can provide a report of its findings to the General Assembly utilizing existing resources and personnel.
- The total increase in state expenditures in FY24-25 will be \$1,541,531.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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