

BUSINESS AND COMMERCE CODE

TITLE 11. PERSONAL IDENTITY INFORMATION

SUBTITLE D. ARTIFICIAL INTELLIGENCE PROTECTION

CHAPTER 552. ARTIFICIAL INTELLIGENCE PROTECTION

SUBCHAPTER A. GENERAL PROVISIONS

Text of section effective on January 01, 2026

Sec. 552.001. DEFINITIONS. In this chapter:

(1) "Deployer" means a person who deploys an artificial intelligence system for use in this state.

(2) "Developer" means a person who develops an artificial intelligence system that is offered, sold, leased, given, or otherwise provided in this state.

(3) "Governmental entity" means any department, commission, board, office, authority, or other administrative unit of this state or of any political subdivision of this state, that exercises governmental functions under the authority of the laws of this state. The term does not include:

(A) a hospital district created under the Health and Safety Code or Article IX, Texas Constitution; or

(B) an institution of higher education, as defined by Section 61.003, Education Code, including any university system or any component institution of the system.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.002. CONSTRUCTION OF CHAPTER. This chapter may not be construed to:

(1) impose a requirement on a person that adversely affects the rights or freedoms of any person, including the right of free speech; or

(2) authorize any department or agency other than the Department of Insurance to regulate or oversee the business of insurance.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. [149](#)), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.003. LOCAL PREEMPTION. This chapter supersedes and preempts any ordinance, resolution, rule, or other regulation adopted by a political subdivision regarding the use of artificial intelligence systems.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. [149](#)), Sec. 4, eff. January 1, 2026.

SUBCHAPTER B. DUTIES AND PROHIBITIONS ON USE OF ARTIFICIAL INTELLIGENCE

Text of section effective on January 01, 2026

Sec. 552.051. DISCLOSURE TO CONSUMERS. (a) In this section, "health care services" means services related to human health or to the diagnosis, prevention, or treatment of a human disease or impairment provided by an individual licensed, registered, or certified under applicable state or federal law to provide those services.

(b) A governmental agency that makes available an artificial intelligence system intended to interact with consumers shall disclose to each consumer, before or at the time of interaction, that the consumer is interacting with an artificial intelligence system.

(c) A person is required to make the disclosure under Subsection (b) regardless of whether it would be obvious to a reasonable consumer that the consumer is interacting with an artificial intelligence system.

(d) A disclosure under Subsection (b):

- (1) must be clear and conspicuous;
- (2) must be written in plain language; and
- (3) may not use a dark pattern, as that term is defined by Section [541.001](#).

(e) A disclosure under Subsection (b) may be provided by

using a hyperlink to direct a consumer to a separate Internet web page.

(f) If an artificial intelligence system is used in relation to health care service or treatment, the provider of the service or treatment shall provide the disclosure under Subsection (b) to the recipient of the service or treatment or the recipient's personal representative not later than the date the service or treatment is first provided, except in the case of emergency, in which case the provider shall provide the required disclosure as soon as reasonably possible.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. [149](#)), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.052. MANIPULATION OF HUMAN BEHAVIOR. A person may not develop or deploy an artificial intelligence system in a manner that intentionally aims to incite or encourage a person to:

- (1) commit physical self-harm, including suicide;
- (2) harm another person; or
- (3) engage in criminal activity.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. [149](#)), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.053. SOCIAL SCORING. A governmental entity may not use or deploy an artificial intelligence system that evaluates or classifies a natural person or group of natural persons based on social behavior or personal characteristics, whether known, inferred, or predicted, with the intent to calculate or assign a social score or similar categorical estimation or valuation of the person or group of persons that results or may result in:

(1) detrimental or unfavorable treatment of a person or group of persons in a social context unrelated to the context in which the behavior or characteristics were observed or noted;

(2) detrimental or unfavorable treatment of a person or group of persons that is unjustified or disproportionate to the

nature or gravity of the observed or noted behavior or characteristics; or

(3) the infringement of any right guaranteed under the United States Constitution, the Texas Constitution, or state or federal law.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.054. CAPTURE OF BIOMETRIC DATA. (a) In this section, "biometric data" means data generated by automatic measurements of an individual's biological characteristics. The term includes a fingerprint, voiceprint, eye retina or iris, or other unique biological pattern or characteristic that is used to identify a specific individual. The term does not include a physical or digital photograph or data generated from a physical or digital photograph, a video or audio recording or data generated from a video or audio recording, or information collected, used, or stored for health care treatment, payment, or operations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.).

(b) A governmental entity may not develop or deploy an artificial intelligence system for the purpose of uniquely identifying a specific individual using biometric data or the targeted or untargeted gathering of images or other media from the Internet or any other publicly available source without the individual's consent, if the gathering would infringe on any right of the individual under the United States Constitution, the Texas Constitution, or state or federal law.

(c) A violation of Section 503.001 is a violation of this section.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.055. CONSTITUTIONAL PROTECTION. (a) A person may

not develop or deploy an artificial intelligence system with the sole intent for the artificial intelligence system to infringe, restrict, or otherwise impair an individual's rights guaranteed under the United States Constitution.

(b) This section is remedial in purpose and may not be construed to create or expand any right guaranteed by the United States Constitution.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.056. UNLAWFUL DISCRIMINATION. (a) In this section:

(1) "Financial institution" has the meaning assigned by Section 201.101, Finance Code.

(2) "Insurance entity" means:

(A) an entity described by Section 82.002(a), Insurance Code;

(B) a fraternal benefit society regulated under Chapter 885, Insurance Code; or

(C) the developer of an artificial intelligence system used by an entity described by Paragraph (A) or (B).

(3) "Protected class" means a group or class of persons with a characteristic, quality, belief, or status protected from discrimination by state or federal civil rights laws, and includes race, color, national origin, sex, age, religion, or disability.

(b) A person may not develop or deploy an artificial intelligence system with the intent to unlawfully discriminate against a protected class in violation of state or federal law.

(c) For purposes of this section, a disparate impact is not sufficient by itself to demonstrate an intent to discriminate.

(d) This section does not apply to an insurance entity for purposes of providing insurance services if the entity is subject to applicable statutes regulating unfair discrimination, unfair methods of competition, or unfair or deceptive acts or practices related to the business of insurance.

(e) A federally insured financial institution is considered to be in compliance with this section if the institution complies with all federal and state banking laws and regulations.
Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.057. CERTAIN SEXUALLY EXPLICIT CONTENT AND CHILD PORNOGRAPHY. A person may not:

(1) develop or distribute an artificial intelligence system with the sole intent of producing, assisting or aiding in producing, or distributing:

(A) visual material in violation of Section 43.26, Penal Code; or

(B) deep fake videos or images in violation of Section 21.165, Penal Code; or

(2) intentionally develop or distribute an artificial intelligence system that engages in text-based conversations that simulate or describe sexual conduct, as that term is defined by Section 43.25, Penal Code, while impersonating or imitating a child younger than 18 years of age.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

SUBCHAPTER C. ENFORCEMENT

Text of section effective on January 01, 2026

Sec. 552.101. ENFORCEMENT AUTHORITY. (a) The attorney general has exclusive authority to enforce this chapter, except to the extent provided by Section 552.106.

(b) This chapter does not provide a basis for, and is not subject to, a private right of action for a violation of this chapter or any other law.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.102. INFORMATION AND COMPLAINTS. The attorney general shall create and maintain an online mechanism on the attorney general's Internet website through which a consumer may submit a complaint under this chapter to the attorney general.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.103. INVESTIGATIVE AUTHORITY. (a) If the attorney general receives a complaint through the online mechanism under Section 552.102 alleging a violation of this chapter, the attorney general may issue a civil investigative demand to determine if a violation has occurred. The attorney general shall issue demands in accordance with and under the procedures established under Section 15.10.

(b) The attorney general may request from the person reported through the online mechanism, pursuant to a civil investigative demand issued under Subsection (a):

(1) a high-level description of the purpose, intended use, deployment context, and associated benefits of the artificial intelligence system with which the person is affiliated;

(2) a description of the type of data used to program or train the artificial intelligence system;

(3) a high-level description of the categories of data processed as inputs for the artificial intelligence system;

(4) a high-level description of the outputs produced by the artificial intelligence system;

(5) any metrics the person uses to evaluate the performance of the artificial intelligence system;

(6) any known limitations of the artificial intelligence system;

(7) a high-level description of the post-deployment monitoring and user safeguards the person uses for the artificial intelligence system, including, if the person is a deployer, the oversight, use, and learning process established by the person to address issues arising from the system's deployment; or

(8) any other relevant documentation reasonably necessary for the attorney general to conduct an investigation under this section.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.104. NOTICE OF VIOLATION; OPPORTUNITY TO CURE.

(a) If the attorney general determines that a person has violated or is violating this chapter, the attorney general shall notify the person in writing of the determination, identifying the specific provisions of this chapter the attorney general alleges have been or are being violated.

(b) The attorney general may not bring an action against the person:

(1) before the 60th day after the date the attorney general provides the notice under Subsection (a); or

(2) if, before the 60th day after the date the attorney general provides the notice under Subsection (a), the person:

(A) cures the identified violation; and

(B) provides the attorney general with a written statement that the person has:

(i) cured the alleged violation;

(ii) provided supporting documentation to show the manner in which the person cured the violation; and

(iii) made any necessary changes to internal policies to reasonably prevent further violation of this chapter.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. 149), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.105. CIVIL PENALTY; INJUNCTION. (a) A person who violates this chapter and does not cure the violation under Section 552.104 is liable to this state for a civil penalty in an amount of:

(1) for each violation the court determines to be

curable or a breach of a statement submitted to the attorney general under Section 552.104(b)(2), not less than \$10,000 and not more than \$12,000;

(2) for each violation the court determines to be uncurable, not less than \$80,000 and not more than \$200,000; and

(3) for a continued violation, not less than \$2,000 and not more than \$40,000 for each day the violation continues.

(b) The attorney general may bring an action in the name of this state to:

(1) collect a civil penalty under this section;

(2) seek injunctive relief against further violation of this chapter; and

(3) recover attorney's fees and reasonable court costs or other investigative expenses.

(c) There is a rebuttable presumption that a person used reasonable care as required under this chapter.

(d) A defendant in an action under this section may seek an expedited hearing or other process, including a request for declaratory judgment, if the person believes in good faith that the person has not violated this chapter.

(e) A defendant in an action under this section may not be found liable if:

(1) another person uses the artificial intelligence system affiliated with the defendant in a manner prohibited by this chapter; or

(2) the defendant discovers a violation of this chapter through:

(A) feedback from a developer, deployer, or other person who believes a violation has occurred;

(B) testing, including adversarial testing or red-team testing;

(C) following guidelines set by applicable state agencies; or

(D) if the defendant substantially complies with the most recent version of the "Artificial Intelligence Risk Management Framework: Generative Artificial Intelligence Profile" published by the National Institute of Standards and Technology or

another nationally or internationally recognized risk management framework for artificial intelligence systems, an internal review process.

(f) The attorney general may not bring an action to collect a civil penalty under this section against a person for an artificial intelligence system that has not been deployed.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. [149](#)), Sec. 4, eff. January 1, 2026.

Text of section effective on January 01, 2026

Sec. 552.106. ENFORCEMENT ACTIONS BY STATE AGENCIES.

(a) A state agency may impose sanctions against a person licensed, registered, or certified by that agency for a violation of Subchapter B if:

(1) the person has been found in violation of this chapter under Section [552.105](#); and

(2) the attorney general has recommended additional enforcement by the applicable agency.

(b) Sanctions under this section may include:

(1) suspension, probation, or revocation of a license, registration, certificate, or other authorization to engage in an activity; and

(2) a monetary penalty not to exceed \$100,000.

Added by Acts 2025, 89th Leg., R.S., Ch. 1174 (H.B. [149](#)), Sec. 4, eff. January 1, 2026.