

SB2966 • Texas

Relating to establishing a framework to govern the use of artificial intelligence systems in critical decision-making by private companies and ensure consumer protections; authorizing a civil penalty.

Introduced

Risk: Medium

Comprehensive

Effective: Sep 01, 2025 | Last Action (Apr 07, 2025): Referred to Business & Commerce

Summary

The bill mandates private companies using AI for consequential decisions to establish consumer protection frameworks and authorizes nominal civil penalties for violations.

Business Impact

If you use AI for critical decision-making in Texas, you must create a consumer protection framework by September 1, 2025, or face a civil penalty.

Key Provisions

- Private companies using AI for consequential decisions must establish a consumer protection framework.
- Defines 'artificial intelligence system' and 'consequential decision'.
- Violators may face a civil penalty not exceeding one dollar.
- Effective date is September 1, 2025.

Compliance Checklist

- Establish a consumer protection framework for AI use in decision-making. | Who: Private companies using AI for consequential decisions. | Penalty: Civil penalty not to exceed one dollar.

Industries Affected

Technology

Consumer Protection

Finance

Healthcare

Bill Sponsors

Name	Party	Role
Charles Schwertner	R	Sponsor

Official Source

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill;=SB2966>

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