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## CLIENT ALERT



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### **The Building Blocks for Artificial Intelligence Governance**

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With the increased use of AI in all aspects of different businesses and industries, it is important to establish a framework for developing a program to meet the business and consumer's needs while complying with various state rules and regulations. The Colorado AI Act is the first comprehensive state-level AI governance law in the United States and is currently scheduled to go into effect on February 1, 2026. It will require developers and deployers of High-Risk AI systems to implement an AI Governance program that includes safety testing, documentation, and harm mitigation.

#### **What Is Artificial Intelligence?<sup>2</sup>**

Artificial intelligence is capable of a wide range of tasks and purposes, including:

- Any artificial system that performs tasks under varying and unpredictable circumstances without significant human oversight, or that can learn from experience and improve performance when exposed to data sets; and
- An artificial system developed in computer software, physical hardware, or other context that solves tasks including an intelligent software agent or embodied robot that achieves goals using perception, planning, reasoning, learning, communicating, decision-making, and acting.

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<sup>1</sup> Certified AIGP by the International Association of Privacy Professionals.

<sup>2</sup> <https://www.nasa.gov/what-is-artificial-intelligence/>





### **What Is Artificial Intelligence Governance And Why Is It Needed?**

When contemplating the use AI for business needs, a business should consider:

- ❖ How AI will assist the business improve its processes?
- ❖ What AI model to use to achieve the business's goals?
- ❖ What policies must be place to develop use of AI?
- ❖ The business's risk tolerance and potential harms associated with the use of high-risk AI systems.
- ❖ Compliance with industry standards, such as frameworks developed by the National Institute of Standards and Technology (NIST) and the International Organization for Standardization (ISO).
- ❖ Compliance with applicable state laws, regulations and rules governing AI.

Best practice is to have an AI governance professional guide your business through the above important considerations before using AI and during the AI operation. Our team of Artificial Intelligence Governance Professionals stands ready to help your company navigate the emerging regulatory landscape. If you have any questions about AI governance or need assistance to facilitate the conversation, please call us to discuss how we can help.

Buchalter's certified AI governance professionals include David Liu, in the Firm's Los Angeles office and Daniel Pietragallo, in the Firm's Denver office.

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