

## AI Law passed in Texas

On June 22, 2025, the Texas governor signed the Texas Responsible Artificial Intelligence Governance Act (TRAIGA or the Act) into law, making Texas the second state to pass comprehensive artificial intelligence (AI) regulation (with Colorado). The Act, which places categorical limitations on the deployment and development of AI systems, will go into effect on January 1, 2026, exactly one month before the Colorado AI Act. Given this timeline and the civil penalties available under each statutory scheme, companies should evaluate their uses of AI to ensure compliance ahead of 2026.

KEY PROVISIONS OF TRAIGA As noted above, TRAIGA outlines a set of prohibited uses of AI for covered entities (e.g., producers, promoters, developers, and deployers of AI systems) and governmental entities. Almost all the prohibitions include an intent requirement, further establishing the statute's aim to regulate purposeful behavior. The Act also amends certain provisions in Texas's biometric privacy law related to consent and expands exemptions to account for permissible uses of biometric identifiers in AI systems.

TRAIGA applies to a person who:

- promotes, advertises, or conducts business in this state
- produces a product or service used by residents of this state
- develops or deploys an artificial intelligence system in this state

TRAIGA requires governmental agencies and healthcare services that make AI systems available for consumers to disclose when consumers are interacting with the AI system either before or at the time of the interaction. This requirement applies regardless of whether it would be obvious to a reasonable consumer that they are interacting with an AI system.

The disclosure must:

- be clear and conspicuous
- be written in plain language
- may not use a dark pattern

The explicit prohibition against dark patterns in disclosure reflects a growing trend in state privacy legislation toward recognizing the harms of manipulative design and manufactured consent.

TRAIGA creates an AI regulatory sandbox program that enables businesses to obtain legal protection and limited access to the Texas market to test innovative AI systems without obtaining a license, registration, or other regulatory authorization. The idea for an AI regulatory sandbox largely stems from the EU AI Act. The purpose of the program is to promote the safe and responsible use of AI systems by providing clear guidelines for experimentation. The attorney general and state agencies are blocked from filing charges or pursuing punitive action against a program participant for violation of laws or regulations waived during the testing period in the sandbox.

TRAIGA also creates the Texas Artificial Intelligence Council, which consists of a group of experts whose job it will be to opine and advise on the regulatory sandbox program, the ethics of certain uses of AI systems, public safety issues, legal roadblocks hindering AI innovation, and

other applicable topics. The council may also issue reports related to AI compliance, ethics, data privacy and security, and legal risks associated with the use of AI in Texas.