

SB 806 -- Redline

Printer's No. PN1690 to Printer's No. PN1808 -- An Act providing for unfair methods of competition and for enforcement and penalties.

Deletions ~~struck~~ · Insertions underlined

PRIOR PRINTER'S ~~NO-NOS.~~

~~871~~871, 1690 PRINTER'S NO.

~~1690~~1808 THE GENERAL ASSEMBLY OF PENNSYLVANIA SENATE BILL Session of No.

806 2025 INTRODUCED BY PISCIOTTANO, PENNYCUICK, MILLER, KANE, ~~SANTARSIERO, TARTAGLIONE, GEBHARD, FONTANA, MALONE, HAYWOOD, BROOKS~~HUGHES, AND VOGEL, BOSCOLA, TA, COSTA, SAVAL, JUNE~~SANTARSIERO, 3, GEBHARD, 2025~~MALONE, SENMAYBROOKS, 6, BOSCOLA 2026~~QUICK, COMMUNICATIONS AND TECHNOLOGY, FARRY, AS JUNE AMENDED, 3, AN 2025 ACT~~AS AMENDING AMENDED the ON act THIRD of CONSIDERATION, December JUNE 17, 10, 1968 2026 (P.L. 1224, AN No. 387), ACT ~~Providing entitled for "An act prohibiting unfair methods of competition and unfair for or enforcement deceptive acts or practices in the conduct of any trade or commerce, giving the Attorney General and District penalties. Attorneys certain powers and duties and providing penalties," further providing for definitions.~~

~~PRO AND PENALTIES AIR METHODS OF COMPETITION AND FOR ENFORCEMENT~~ ~~---~~ The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

~~Section Short 2(4) title. of the act of December 17, 1968 (P.L. 1224, No. 387), known as the Unfair Trade Practices and Consumer Protection Law, is amended by adding a subclause and the section is amended by adding clauses to read:~~

This act shall be known and may be cited as the Artificial Intelligence Deceptive Advertising Act.

~~Definitions. As Scope used of in this act.~~

~~*This *act *relates (4) to "Unfair methods of competition" and "unfair or deceptive acts advertising. or practices" mean any one or more of the following:~~

~~*Section *3. * (xx.1) Knowingly or recklessly creating, distributing or publishing any content generated by artificial intelligence without clear and conspicuous disclosure, including written text, images, audio and video content and other forms of media.~~

~~A Definitions. disclosure under this subclause must state that the content was generated using artificial intelligence, must be displayed in the first instance when the content is presented to the consumer, must be presented in a manner reasonably understandable and readily noticeable to the consumer and must be presented in the same medium as the content.~~

~~*The *following *words (14) and "Artificial phrases intelligence" when means used technology in or this tools act that shall use have predictive the algorithms meanings given to create them now in content, this including section audio, unless code, the images, context text, clearly simulations indicates or otherwise: videos.~~

~~(15) "Artificial "Clear intelligence" and or conspicuous "AI." means (1) A machine-based system that can, for a statement given set of human-defined objectives, make predictions, recommendations or disclosure decisions that influencing meets real all or of virtual environments, including the following ability criteria to:~~

~~(i) The perceive statement real or disclosure is disclosed in a size, color, contrast, location, duration and audibility virtual that environments; is readily noticeable, readable, understandable and capable of being heard.~~

~~(ii) The abstract statement perceptions or made disclosure under does subparagraph not (i) contradict into and models is through not analysis inconsistent in with an any automated other manner; information with which the statement or disclosure is presented.~~

~~and (iii) If use the model statement inference or to disclosure formulate modifies, options explains for information or clarifies action other based information on without comes which under the subparagraphs statement (i) or and disclosure (ii). is presented:~~

~~(A) (2) the The statement term or includes disclosure generative is artificial presented intelligence. in proximity to the information that the statement or disclosure modifies in a manner that is likely to be noticed, readable and understandable;~~

~~"Clear and 2025 SB 806 PN 1690 conspicuous." -A 2- (B) the statement or disclosure is that not meets to all be of obscured the in following any criteria: manner.~~

~~(iv) (1) If The the statement or disclosure is and disclosed audio in statement a or size, disclosure, color, the contrast, statement location, or duration disclosure is delivered in a volume and cadence audibility sufficient that for is a readily consumer noticeable, to readable, hear understandable and comprehend capable the of statement being or heard. disclosure.~~

~~(v) All If statements the and statement disclosures or shall disclosure be is presented a in visual statement or disclosure, the statement language or disclosure other is interaction of fused abv size and shade and appears~~

~~on the screen for a duration sufficient for a consumer to read~~interact and with or comprehend the statement~~synthetic or content. disclosure.~~

~~(vi)(2) If the statement or disclosure is does not print contradict advertisement and or promotional material, including a point-of-sale display or brochure materials directed to a consumer, the statement or disclosure is innot ainconsistent typewith sizeany andother locationinformation sufficiently noticeable for a consumer to read and comprehend the statement or disclosure in a print that contrasts with the background against which the statement or disclosure appears.~~is presented.

~~Section(3) 2-~~If the statement or disclosure modifies, explains or clarifies other information with which the statement or disclosure is presented:

(i) the statement or disclosure is presented in proximity to the information that the statement or disclosure modifies in a manner that is likely to be noticed, readable and understandable;

and (ii) the statement or disclosure is not to be 20250SB0806PN1808 - 2 - obscured in any manner.

(4) If the statement or disclosure is an audio statement or disclosure, the statement or disclosure is delivered in a volume and cadence sufficient for a consumer to hear and comprehend the statement or disclosure.

(5) If the statement or disclosure is a visual statement or disclosure, the statement or disclosure is of a size and shade and appears on the screen for a duration sufficient for a consumer to read and comprehend the statement or disclosure.

(6) If the statement or disclosure is a print advertisement or promotional material, including a point-of-sale display or brochure materials directed to a consumer, the statement or disclosure is in a type size and location sufficiently noticeable for a consumer to read and comprehend the statement or disclosure in a print that contrasts with the background against which the statement or disclosure appears.

"Generative artificial intelligence." The class of models that emulate the structure and characteristics of input data in order to generate synthetic content.

"Synthetic content." Information, including an image, video, audio clip or text, that has been significantly modified or generated by artificial intelligence.

Section 4.

Clear and conspicuous disclosure.

(a) Disclosure.--An advertiser may not knowingly, recklessly <-- or willfully create and disseminate or cause to be created and disseminated an advertisement that uses synthetic content in a manner that creates a false consumer perception about the nature, origin or authenticity of the goods or services being 20250SB0806PN1808 - 3 - advertised, without clear and conspicuous disclosure.

A disclosure under this section must state that the advertisement contains content that was modified or generated using artificial intelligence.

This disclosure must be:

(1) Displayed in the first instance whenever the synthetic content is presented to the consumer.

(2) Presented in the same medium as the synthetic content.

(3) To the extent technically feasible, permanent or extraordinarily difficult to remove from the synthetic content.

(b) Exceptions.--Subsection (a) shall not include content that is:

(1) evidently fictional based on the content or context of the depiction;

(2) parody, satire, commentary or criticism;

or (3) limited to text.

(c) Construction.--Disclosure of the use of AI under subsection (a) shall not be construed to limit any recourse under law.

Section 5.

Enforcement.

(a) Restraining prohibited acts.--Whenever the Attorney General or the appropriate district attorney has reason to believe that any person is using or is about to use any method, act or practice declared by section 4 to be unlawful, and that proceedings would be in the public interest, the Attorney General or a district attorney may bring an action in the name of the Commonwealth against the person to restrain by temporary or permanent injunction the use of the method, act or practice.

(b) Civil penalty.--The Attorney General or the appropriate 20250SB0806PN1808 - 4 - district attorney may bring a civil action for violations of this act.

(c) Damages.--A court of competent jurisdiction may award damages for a violation of this act.

The court may award:

(1) A civil fine that does not exceed \$3,000.

(2) Actual attorney fees and court costs.

Section 6.

Effective date.

~~SECTION 20250SB0806PN1808 1- 5 -~~

~~SHORT TITLE.~~

~~THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE ARTIFICIAL INTELLIGENCE DECEPTIVE ADVERTISING ACT.~~

~~SECTION 2.~~

~~SCOPE OF ACT.~~

~~THIS ACT RELATES TO DECEPTIVE ADVERTISING.~~

~~SECTION 3.~~

~~DEFINITIONS.~~

~~THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:~~

~~"ARTIFICIAL INTELLIGENCE" OR "AI." (1) A MACHINE-BASED SYSTEM THAT CAN, FOR A GIVEN SET OF HUMAN-DEFINED OBJECTIVES, MAKE PREDICTIONS, RECOMMENDATIONS 20250SB0806PN1600 - 3 - OR DECISIONS INFLUENCING REAL OR VIRTUAL ENVIRONMENTS, INCLUDING THE ABILITY TO:~~

~~(I) PERCEIVE REAL AND VIRTUAL ENVIRONMENTS;~~

~~(II) ABSTRACT PERCEPTIONS MADE UNDER SUBPARAGRAPH (I) INTO MODELS THROUGH ANALYSIS IN AN AUTOMATED MANNER;~~

~~AND (III) USE MODEL INFERENCE TO FORMULATE OPTIONS FOR INFORMATION OR ACTION BASED ON OUTCOMES UNDER SUBPARAGRAPHS (I) AND (II).~~

~~(2) THE TERM INCLUDES GENERATIVE ARTIFICIAL INTELLIGENCE.~~

~~"CLEAR AND CONSPICUOUS." A STATEMENT OR DISCLOSURE THAT MEETS ALL OF THE FOLLOWING CRITERIA:~~

~~(1) THE STATEMENT OR DISCLOSURE IS DISCLOSED IN A SIZE, COLOR, CONTRAST, LOCATION, DURATION AND AUDIBILITY THAT IS READILY NOTICEABLE, READABLE, UNDERSTANDABLE AND CAPABLE OF BEING HEARD.~~

~~ALL STATEMENTS AND DISCLOSURES SHALL BE PRESENTED IN THE LANGUAGE OR OTHER INTERACTION USED BY THE CONSUMER TO INTERACT WITH OR COMPREHEND THE SYNTHETIC CONTENT.~~

~~(2) THE STATEMENT OR DISCLOSURE DOES NOT CONTRADICT AND IS NOT INCONSISTENT WITH ANY OTHER INFORMATION WITH WHICH THE STATEMENT OR DISCLOSURE IS PRESENTED.~~

~~(3) IF THE STATEMENT OR DISCLOSURE MODIFIES, EXPLAINS OR CLARIFIES OTHER INFORMATION WITH WHICH THE STATEMENT OR DISCLOSURE IS PRESENTED:~~

~~(I) THE STATEMENT OR DISCLOSURE IS PRESENTED IN PROXIMITY TO THE INFORMATION THAT THE STATEMENT OR DISCLOSURE MODIFIES IN A MANNER THAT IS LIKELY TO BE NOTICED, READABLE AND UNDERSTANDABLE;~~

~~AND 20250SB0806PN1600 - 4 - (II) THE STATEMENT OR DISCLOSURE IS NOT TO BE OBSCURED IN ANY MANNER.~~

~~(4) IF THE STATEMENT OR DISCLOSURE IS AN AUDIO STATEMENT OR DISCLOSURE, THE STATEMENT OR DISCLOSURE IS DELIVERED IN A VOLUME AND CADENCE SUFFICIENT FOR A CONSUMER TO HEAR AND COMPREHEND THE STATEMENT OR DISCLOSURE.~~

~~(5) IF THE STATEMENT OR DISCLOSURE IS A VISUAL STATEMENT OR DISCLOSURE, THE STATEMENT OR DISCLOSURE IS OF A SIZE AND SHADE AND APPEARS ON THE SCREEN FOR A DURATION SUFFICIENT FOR A CONSUMER TO READ AND COMPREHEND THE STATEMENT OR DISCLOSURE.~~

~~(6) IF THE STATEMENT OR DISCLOSURE IS A PRINT ADVERTISEMENT OR PROMOTIONAL MATERIAL, INCLUDING A POINT-OF-SALE DISPLAY OR BROCHURE MATERIALS DIRECTED TO A CONSUMER, THE STATEMENT OR DISCLOSURE IS IN A TYPE SIZE AND LOCATION SUFFICIENTLY NOTICEABLE FOR A CONSUMER TO READ AND COMPREHEND THE STATEMENT OR DISCLOSURE IN A PRINT THAT CONTRASTS WITH THE BACKGROUND AGAINST WHICH THE STATEMENT OR DISCLOSURE APPEARS.~~

~~"GENERATIVE ARTIFICIAL INTELLIGENCE." THE CLASS OF MODELS THAT EMULATE THE STRUCTURE AND CHARACTERISTICS OF INPUT DATA IN ORDER TO GENERATE SYNTHETIC CONTENT.~~

~~"SYNTHETIC CONTENT." INFORMATION, INCLUDING AN IMAGE, VIDEO, AUDIO CLIP OR TEXT, THAT HAS BEEN SIGNIFICANTLY MODIFIED OR GENERATED BY ARTIFICIAL INTELLIGENCE.~~

~~SECTION 4.~~

~~CLEAR AND CONSPICUOUS DISCLOSURE.~~

~~(A) DISCLOSURE. --AN ADVERTISER MAY NOT KNOWINGLY, RECKLESSLY OR WILLFULLY CREATE AND DISSEMINATE OR CAUSE TO BE CREATED AND DISSEMINATED AN ADVERTISEMENT THAT USES SYNTHETIC CONTENT IN A MANNER THAT CREATES A FALSE CONSUMER PERCEPTION ABOUT THE 20250SB0806PN1600 - 5 - NATURE, ORIGIN OR AUTHENTICITY OF THE GOODS OR SERVICES BEING ADVERTISED, WITHOUT CLEAR AND CONSPICUOUS DISCLOSURE.~~

~~A DISCLOSURE UNDER THIS SECTION MUST STATE THAT THE ADVERTISEMENT CONTAINS CONTENT THAT WAS MODIFIED OR GENERATED USING ARTIFICIAL INTELLIGENCE.~~

~~THIS DISCLOSURE MUST BE:~~

~~(1) DISPLAYED IN THE FIRST INSTANCE WHENEVER THE SYNTHETIC CONTENT IS PRESENTED TO THE CONSUMER.~~

~~(2) PRESENTED IN THE SAME MEDIUM AS THE SYNTHETIC CONTENT.~~

~~(3) TO THE EXTENT TECHNICALLY FEASIBLE, PERMANENT OR EXTRAORDINARILY DIFFICULT TO REMOVE FROM THE SYNTHETIC CONTENT.~~

~~(B) EXCEPTIONS.--SUBSECTION (A) SHALL NOT INCLUDE CONTENT THAT IS:~~

~~(1) EVIDENTLY FICTIONAL BASED ON THE CONTENT OR CONTEXT OF THE DEPICTION;~~

~~(2) PARODY, SATIRE, COMMENTARY OR CRITICISM;~~

~~OR (3) LIMITED TO TEXT.~~

~~(C) CONSTRUCTION.--DISCLOSURE OF THE USE OF AI UNDER SUBSECTION (A) SHALL NOT BE CONSTRUED TO LIMIT ANY RECOURSE UNDER LAW.~~

~~SECTION 5.~~

~~ENFORCEMENT.~~

~~(A) RESTRAINING PROHIBITED ACTS.--WHENEVER THE ATTORNEY GENERAL OR THE APPROPRIATE DISTRICT ATTORNEY HAS REASON TO BELIEVE THAT ANY PERSON IS USING OR IS ABOUT TO USE ANY METHOD, ACT OR PRACTICE DECLARED BY SECTION 4 TO BE UNLAWFUL, AND THAT PROCEEDINGS WOULD BE IN THE PUBLIC INTEREST, THE ATTORNEY GENERAL OR A DISTRICT ATTORNEY MAY BRING AN ACTION IN THE NAME OF THE COMMONWEALTH AGAINST THE PERSON TO RESTRAIN BY TEMPORARY OR PERMANENT INJUNCTION THE USE OF THE METHOD, ACT OR PRACTICE.~~

~~20250SB0806PN1690 - 6 - (B) CIVIL PENALTY.--THE ATTORNEY GENERAL OR THE APPROPRIATE DISTRICT ATTORNEY MAY BRING A CIVIL ACTION FOR VIOLATIONS OF THIS ACT.~~

~~(C) DAMAGES.--A COURT OF COMPETENT JURISDICTION MAY AWARD DAMAGES FOR A VIOLATION OF THIS ACT. THE COURT MAY AWARD:~~

~~(1) A CIVIL FINE THAT DOES NOT EXCEED \$3,000.~~

~~(2) ACTUAL ATTORNEY FEES AND COURT COSTS.~~

~~SECTION 6.~~

~~EFFECTIVE DATE.~~

~~THIS ACT SHALL TAKE EFFECT IN 60 DAYS.~~

~~20250SB0806PN1690 - 7 -~~