

The Year Ahead 2025: Tech Talk — AI Regulations + Data Privacy

January 16, 2025

Careful consideration and close collaboration between your organization's business departments are watchwords for 2025. AI tools in performance management and other areas present both opportunities and risks as increased regulation and enforcement at the state level proliferate — along with the rise of related class actions. On the privacy front, a focus on data minimization and thoughtful implementation and governance of new technologies and their data, both within the organization and across its vendors, will all help to avoid unintended consequences.

Takeaways

- Unclear how change in administration will impact federal government guidance on AI.
- 2025 will likely bring more state laws on AI regulation for developers and deployers, as well as more state-level enforcement actions of state privacy and security laws.
- Privacy litigation will continue to grow.
- Organizations should take stock of data they maintain to determine how to ensure privacy law compliance.
- Organizations should take preventative measures to protect personal data they maintain (including data processed by their vendors).

State Privacy Laws Taking Effect in 2025

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▶ January 1	+
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▶ July 1	+
▶ July 31	+
▶ October 1	+

State AI Developments



California | Effective 01.01.26

- Creates California AI Transparency Act to ensure transparency in the training data used for generative AI systems. The Act applies to developers of generative AI systems or services, including substantial modifications.
- Sets disclosure requirements, including:
 - High-level summary of datasets used.
 - Sources or owners of the datasets.
 - Description of how datasets further the AI system's purpose.
 - Number and types of data points in the datasets.
 - Information on whether datasets include copyrighted, trademarked, or patented data.
 - Details on whether datasets are purchased, licensed or include personal information.
 - Description of any data cleaning, processing or modifications.
 - Time period of data collection and notice, if ongoing.
- Comprehensive proposed AI regulations under the California Consumer Privacy Act move forward concerning Automated Decision-Making Technology (ADMT).
- Civil Rights Council examining comments to Initial Text for Proposed Modifications to Employment Regulations Regarding Automated-Decision Systems.



Colorado | Effective 02.01.26

- Defines high-risk AI systems as systems making consequential decisions affecting areas like employment, education, healthcare and more.
- Identifies role-specific obligations.
 - Developers: Must provide necessary documentation and mitigate algorithmic discrimination.
 - Deployers: Required to conduct risk management and impact assessments and to provide consumer rights.
- Emphasizes consumer rights, including the right to notice, explanation, correction and appeal for decisions made by high-risk AI systems.
- Includes algorithmic discrimination: Duty of care to prevent both intentional discrimination and disparate impact.
- Gives Colorado Attorney General significant authority to enforce the law.



Illinois

- New laws address use of generative AI and digital likeness, publicity rights.
- Updates its civil rights law to make clear that uses of artificial intelligence, including generative AI, could constitute civil rights violations.

Trends in Data Privacy and Security Litigation + Regulatory Enforcement

- Increase in data breach class actions.
- Website tracking technology claims.
- Illinois Biometric Information Privacy Act and Genetic Information Privacy Act claims.
- AI and data privacy actions: Legal challenges to AI's use of personal data and

decisions made with assistance from AI.

- Regulatory enforcement actions: Aggressive enforcement by state AGs and industry regulators.

Podcast



The Year Ahead 2025: AI's New Laws + Traditional Issues

Hosts: **Eric J. Felsberg**, Principal, Artificial Intelligence Co-Leader and Technology Industry Co-Leader, and **Joseph J. Lazzarotti**, Principal, Artificial Intelligence Co-Leader and Privacy, Data and Cybersecurity Co-Leader

“It’s like an AI chicken or the egg conundrum. Who should own the liability there? Should it be the developers of these technologies or should it be the users? If you’re trying to make that determination, where does that line fall? This uncertainty has worked its way into different legislation across the country. It really reflects how these lawmakers are grappling with some of these issues that, frankly, don’t have an easy answer.”

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The Year Ahead 2025: Tech Tools + Privacy Considerations

Hosts: **Joseph J. Lazzarotti**, Principal, Artificial Intelligence Co-Leader and Privacy, Data and Cybersecurity Co-Leader, and **Damon W. Silver**, Principal and Privacy, Data and Cybersecurity Co-Leader

“It's this constant sense of governance — risk and compliance processes that should take place whenever you're dealing with these technologies. If there was one goal I would recommend for next year, that would be more collaboration between the stakeholders [IT, legal, HR, the business area deploying the tech] when rolling out these kinds of tools.”

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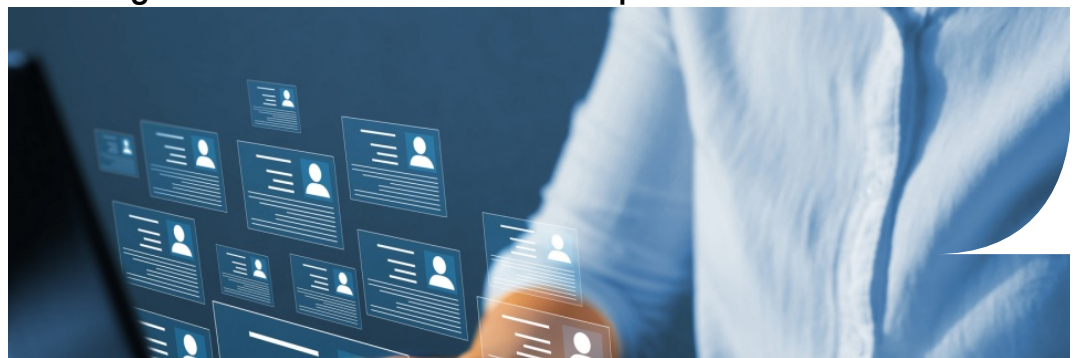
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Privacy Blizzard Expected in January as Five State Laws Take Effect



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