Legislative Council
600 East Boulevard Avenue, Bismarck, ND 58505

ARTIFICIAL INTELLIGENCE AND DATA CENTER COMMITTEE

Tuesday, October 20, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Jonathan Warrey, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Jonathan Warrey, Mike Nathe, Anna S. Novak,* Mary Schneider; Senators Jose L. Castaneda, Kyle Davison, Janne Myrdal, Dean Rummel, Mike Wobbema; Citizen Members Tony Clark,* Mark R. Hagerott

Member absent: Representative Todd Porter

Others present: Senator David Hogue, member of the Legislative Management
Greg Kasowski, Children's Advocacy Centers of North Dakota; Signe Snortland, Mandan
Victoria Christian, Legislative Council
See Appendix A for additional persons present.
**Attended remotely*

It was moved by Representative Nathe, seconded by Senator Rummel, and carried on a voice vote that the minutes of the October 6, 2026, meeting be approved as distributed.

BILL DRAFTS

Ms. Victoria Christian, Counsel, Legislative Council, presented a bill draft [27.0341.01000] relating to artificial intelligence (AI) and companion chatbot user protections. She noted the bill draft provides protections to users who engage with companion chatbots, including requiring operators to adopt mental and behavioral health protocols, provide required disclosures regarding the artificial nature of the entity conversing with the user, and offer privacy and account management tools.

In response to questions from committee members, Ms. Christian noted:

- Most states enforce violations of chatbot user protections through the attorney general's office.
- Reasonable methods of determining whether a user is a minor, include age-verification methods.
- The Attorney General would investigate whether reasonable age-verification methods were used only if there was a reported problem and would not routinely monitor or approve age-verification methods.
- Washington and Nebraska recently enacted AI and chatbots user-protection legislation structured in a similar manner.
- The bill draft does not require mental health concerns expressed to a chatbot to be reported to law enforcement, but does require the collection of data regarding users who express mental health concerns.

Ms. Erin K. Dohm, Counsel, Legislative Council, presented a bill draft [27.0359.01000] relating to the regulation of AI and the creation of a regulatory sandbox program and an artificial intelligence council. She noted the bill draft:

- Creates a new chapter to require AI systems intended to interact with consumers to include required disclosures and to prohibit the development or deployment of AI systems for certain uses.
- Creates a regulatory sandbox program to provide limited access to the state market to allow developers to test an innovative AI system for a limited period.
- Requires the Information Technology Department to submit an annual report to the Legislative Management regarding the number of sandbox program participants, the overall performance and impact of AI systems tested, and future legislative recommendations.
- Creates an artificial intelligence council, which would receive staffing and administrative services from the Information Technology Department and be comprised of seven members of the public appointed by the Governor, Lieutenant Governor, and Speaker of the House.

Committee members expressed concern regarding the artificial intelligence council's membership composition as well as concern regarding the Attorney General having exclusive jurisdiction over AI consumer protection violations.

COMMENTS BY INTERESTED PERSONS

Ms. Signe Snortland, Mandan, provided testimony regarding data center development and potential data center regulatory policies.

Mr. Greg Kasowski, Executive Director, Children's Advocacy Centers of North Dakota, provided testimony (Appendix B) regarding the proposed bill draft on AI companion chatbots.

COMMITTEE DISCUSSION

Dr. Mark R.Hagerott presented information (Appendix C) regarding steerable and controllable AI bill concepts. He noted:

- The Artificial Intelligence Safety and Compute Infrastructure Protection Act aims to prevent the development, training, and deployment of advanced AI systems that could exceed human control.
- The proposal establishes a North Dakota Frontier Artificial Intelligence Safety Commission, which would conduct audits of high-risk AI systems, maintain records of large-scale AI training activities in the state, and coordinate with federal agencies on AI safety matters.

It was moved by Representative Schneider that the bill draft [27.0341.01000] relating to AI and companion chatbot user protections, as revised to include the language "that is not marketed to children" to the end of line 2 of page 2, be approved and recommended to the Legislative Management. The motion failed for lack of a second.

It was moved by Representative Nathe, seconded by Senator Myrdal, and carried on a roll call vote that the bill draft [27.0359.01000], relating to the regulation of AI and the creation of a regulatory sandbox program and an artificial intelligence council, be approved and recommended to the Legislative Management. Representatives Warrey, Nathe, Novak, and Schneider; Senators Castaneda, Davison, Myrdal, Rummel, and Wobbema; and Citizen Member Hagerott voted "aye." No negative votes were cast.

Committee members acknowledged data center development requires the assessment of several considerations, including electricity and water demand, infrastructure costs, noise, land use, local regulatory authority, reclamation, and transparency between developers and communities. Committee members considered narrowing the sales and use tax exemption for data centers and retaining local control regarding zoning authority.

Committee members emphasized the need for continued study and discussion regarding the regulation of data centers. Committee members discussed the possibility of introducing independently sponsored bill drafts during the legislative session.

It was moved by Senator Castaneda, seconded by Senator Wobbema, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill draft recommended by the committee and to present the report and recommended bill draft to the Legislative Management. Representatives Warrey, Nathe, Novak, and Schneider; Senators Castaneda, Davison, Myrdal, Rummel, and Wobbema; and Citizen Member Hagerott voted "aye." No negative votes were cast.

It was moved by Senator Myrdal, seconded by Senator Davison, and carried on a voice vote that the committee be adjourned sine die.

No further business appearing, Chairman Warrey adjourned the committee sine die at 2:00 p.m.

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Erin K. Dohm
Counsel

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Kim Yang
Policy Analyst

ATTACH:3