

Research Plan: Public Chapter 1082, Acts of 2026—AI, Economic Impacts, and Regulatory Framework

Research Director: Matt Owen

Project Lead: Michael Strickland

Support: Jennifer Arzate, Cameron Fox, and Nathaniel Pettit

Deputy Executive Director Approval: Initial: *MMB* Date: June 1, 2026

Executive Director Approval: Initial: *CML* Date: June 1, 2026

Purpose

To conduct a study of the potential economic impacts and regulation of artificial intelligence systems and generative artificial intelligence chatbots in Tennessee.

Background

As AI has advanced rapidly in the last several years, there have been high expectations that it will transform whole sectors of the economy, education, and the everyday lives of individuals. And yet, equally, there are concerns about potential risks it may pose, particularly for younger people, related to issues including but not limited to mental health and safety, data privacy and impersonation, cybersecurity, and employment.

Thus far, the federal government has passed no significant legislation on AI, and the recent executive order that seeks to preempt most state regulation of AI makes an exception for child safety protections. States have been spurred to act, though, and the Stanford AI Index Report identified 150 AI-related bills that were passed in 2025 alone. Tennessee itself has passed some legislation in the last several years in response to changes brought on by generative AI—including Public Chapter 588, Acts of 2024, also known as the ELVIS Act, and Public Chapter 466, Acts of 2025, which set penalties for generating deepfakes—but it is only more recently that attention has turned to these more specific concerns around chatbots and their use by minors, with several bills filed in the General Assembly this year that aimed to address these issues in some form. The sole bill which passed this session was Public Chapter 647, Acts of 2026, which prohibits an AI chatbot from presenting itself to the public as being able to serve as a qualified mental health professional.

Three other bills on chatbots were introduced; two were amended to request TACIR studies and one did not pass. The first of the two bills that became study bills, the subject of this research plan, was Senate Bill 1700 by Senator Akbari and House Bill 1946 by Representative Love, which in its original form would have prohibited AI operators from making AI chatbots available to minors if the chatbots could encourage or manipulate a user into harming themselves or others, or to engage in illegal activity. The second, Senate Bill 1493 by Senator Massey and House Bill 1455 by Representative Littleton, would have made it a felony for any person to knowingly train an AI in such a way as might cause one of several harms, such as encouraging or supporting the act of suicide. The bill that did not pass, Senate Bill 2171 by Senator Yager and House Bill 1898 by Representative Zachary, would have required AI developers to produce safety plans, including assessments of child safety risks, and report safety incidents to the Tennessee attorney general.

This study, which is to be prepared in response to Senate Bill 1700 by Senator Akbari and House Bill 1946 by Representative Love, which was enacted in Public Chapter 1082, Acts of 2026, will follow on from the study conducted in response to Senate Bill 1493 by Senator Massey and House Bill 1455 by Representative Littleton, enacted as Public Chapter 1066, Acts of 2026. This second study will consider related but distinct questions, including possible fiscal and economic impacts, as well as legal and constitutional limitations.

Define the Problem

As AI becomes increasingly sophisticated it brings the possibility of economic benefits but also a variety of possible risks, particularly when used by children. Federal and state regulatory frameworks for managing those risks without stifling innovation are still in early stages of development as policymakers grapple with a rapidly evolving technology.

Assemble Some Evidence

- Review the referred legislation, 1082, Acts of 2026, to determine what it asks the commission to study.
- Interview the sponsors of the legislation and other members of the General Assembly who have an interest in the study.
- Interview other stakeholders to determine what is driving this issue, including but not limited to
 - Researchers and technical experts in AI
 - Attorney general's office, District Attorneys General Conference, and legal experts on laws related to AI

- Businesses that develop and operate AI chatbots
 - Chambers of Commerce
 - In-state businesses that deploy AI chatbots, such as for entertainment, education, or customer service
 - Educators and school counselors who may have seen how children use AI
 - Advocates for children and enhanced safety around AI technology
 - Representatives of other states that have implemented measures similar to those proposed by the study bill
- Review Tennessee’s statutes and regulations that may be relevant to AI and child safety.
 - Review relevant federal statutes, regulations, and executive orders.
 - Review proposed legislation in other states relevant to AI chatbot regulation.
 - Review relevant literature on generative AI; the prevalence and uses of AI by various demographics, including children.
 - Gather relevant data sets, including statistics related to AI usage.

Proposed Research Timeline

- Problem statement and research plan (May 2026)
- Research
 - Assemble evidence (January-July 2027)
 - Construct alternatives and select criteria (July-August 2027)
 - Convene panel for discussion at Summer commission meeting
 - Project outcomes, confront trade-offs, and select draft recommendations (September 2027)
- Storyboard, outline, and write the report (October-November 2027)
- Draft report to the commission for comments (Fall 2027 commission meeting)
- Final report to commission for approval (January 2028 commission meeting)



State of Tennessee

PUBLIC CHAPTER NO. 1082

SENATE BILL NO. 1700

By Akbari, Yarbrow, Campbell, Oliver, Gardenhire

Substituted for: House Bill No. 1946

By Love, Camper, Pearson, Clemmons

AN ACT to amend Tennessee Code Annotated, Title 29; Title 37 and Title 47, relative to artificial intelligence.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Tennessee advisory commission on intergovernmental relations (TACIR) shall conduct a study of the potential regulation of artificial intelligence systems and generative artificial intelligence chatbots in this state. The study must include:

- (1) An analysis of existing federal law and pending federal regulatory actions applicable to artificial intelligence systems;
- (2) An analysis of regulatory frameworks adopted or proposed in other states;
- (3) An evaluation of potential constitutional considerations, including protections for speech and expression, due process safeguards, federal preemption, and limitations on state authority affecting interstate commerce;
- (4) An assessment of the potential fiscal impact on state and local government, including anticipated enforcement costs;
- (5) An evaluation of potential economic impacts on businesses, technology developers, educational institutions, and consumers in this state;
- (6) A review of safeguards relating to minors and mental health protections, including suicide prevention protocols; and
- (7) Recommendations, if any, for legislative action.

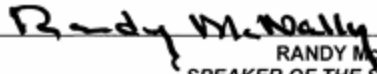
SECTION 2. TACIR shall publish a report of the study's findings and recommendations and shall deliver a copy of the report to the governor, the speaker of the senate, the speaker of the house of representatives, and the legislative librarian. The report may be delivered electronically.

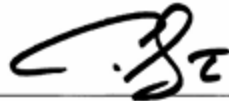
SECTION 3. TACIR may request information and input from state and local governmental entities, industry stakeholders, academic experts, and advocacy organizations, as necessary to conduct the study. State and local governmental entities shall, to the extent permitted by law, provide information requested by TACIR. TACIR shall conduct the study using TACIR's existing resources.

SECTION 4. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 1700

PASSED: April 21, 2026


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 22nd day of May 2026


BILL LEE, GOVERNOR