# Nevada advances comprehensive AI legislation to regulate and harness technology across sectors



Nevada is actively engaging with the regulatory and developmental challenges posed by artificial intelligence (AI) as the technology becomes increasingly integrated into various sectors. During the current legislative session, over a dozen AI-related bills have been introduced, reflecting widespread efforts to both harness and regulate AI's rapid growth and its wide-ranging impacts.

State agencies have already begun to incorporate AI tools in their operations. In 2024, the Department of Employment, Training and Rehabilitation (DETR) started using a Google-run AI programme to help adjudicate unemployment appeals, which have historically faced significant backlogs; all AI decisions in this process undergo human verification. Meanwhile, the Department of Motor Vehicles has adopted an AI-driven chatbot to manage public inquiries more efficiently.

November saw the state’s Office of the Chief Information Officer introduce a comprehensive policy regarding the ethical and responsible use of AI in state government. This policy mandates that no agency-level AI regulations can be more lenient than the statewide standards and explicitly forbids the creation of discriminatory content or the use of personal data without anonymization. Recently, the office revealed that state agencies will implement a Microsoft AI-powered assistant designed to support tasks such as drafting emails and brainstorming ideas.

Existing provisions in Nevada law prohibit the use of AI in deceptive practices—including misinformation dissemination—and protect privacy rights. However, legislators are considering further measures, with several bills addressing diverse aspects of AI use.

The most comprehensive proposal is Senate Bill 199 (SB199), sponsored by Senator Dina Neal (D-North Las Vegas). After significant amendments, the bill no longer bans the use of AI to develop police reports but instead requires police departments to formulate policies governing facial recognition software and other AI tools that could infringe on civil or constitutional rights. Additionally, while an earlier version proposed prohibiting AI-generated K-12 lesson plans, the revised bill shifts focus to establishing a working group to study AI in education and develop relevant policies on lesson planning.

SB199 retains some original provisions, such as preventing insurers from using patient data to train AI without explicit patient consent and barring landlords from setting rent prices based on AI recommendations derived from nonpublic data. This latter measure responds to concerns stemming from California, where AI has reportedly increased rent prices through the use of confidential information.

The bill also expands state oversight of AI companies, requiring developers who sell AI systems to report these transactions to the attorney general’s office. Furthermore, it directs DETR to survey employers about jobs lost or threatened by AI technologies. Senator Neal previously described existing AI policies in Nevada as “limited” in an interview with The Nevada Independent. SB199 has passed its initial committee and now awaits consideration by the Senate Finance Committee.

On a different front, Assembly Bill 474 (AB474), sponsored by the Assembly Committee on Ways and Means, aims to leverage AI to reduce food waste and enhance food security for Supplemental Nutrition Assistance Program (SNAP) recipients. The proposal mandates the Division of Welfare and Supportive Services to adopt the Smart Shopper mobile app, currently being implemented in Delaware and under consideration in more than eight other states. This AI-driven app analyses retailer data to identify surplus food that would otherwise go to waste and informs SNAP recipients about discounted eligible items available nearby.

Bethany Hall-Long, former lieutenant governor of Delaware, praised the app as “a real win-win — food security for the most vulnerable and saving waste.” AB474 has received an exemption from legislative deadlines, indicating its progression through the legislative process.

The legislative session has also highlighted AI’s implications for health care, elections, utilities, and child protection. Assembly Bill 73 (AB73), introduced by the Secretary of State’s office, requires disclosure when AI is used in campaign materials. Election officials have expressed concern over AI’s potential to facilitate misinformation. This bill has passed unanimously out of the Assembly.

Senator Neal sponsors Senate Bill 128 (SB128), which prohibits health insurers from relying on AI to deny prior authorisation requests or reduce coverage for previously approved care. This bill passed the Senate with bipartisan support, uniting Democrats and two Republican senators, Lori Rogich (R-Las Vegas) and John Steinbeck (R-Las Vegas). This measure follows a survey by the American Medical Association, which found that 61 percent of physicians worry AI contributes to increased prior authorisation denials.

Additionally, Assembly Bill 325 (AB325), sponsored by the Assembly Committee on Government Affairs, restricts AI from making final decisions regarding emergency response planning, resource allocation, or shutting down utility services, mandating human oversight. The bill unanimously passed in the Assembly. Notably, states—including Nevada—have used AI to assist with non-emergency call responses and wildfire management, but lawmakers stress the necessity of safeguards to maintain human control over critical decisions.

Senate Majority Leader Nicole Cannizzaro (D-Las Vegas) is championing Senate Bill 263 (SB263), aimed at criminalising computer-generated child pornography, including AI-created content. This bill enjoys an exemption from standard legislative deadlines.

Assembly Bill 406 (AB406), introduced by Assemblyman Jovan Jackson (D-North Las Vegas), seeks to prohibit school counsellors, psychologists, and social workers from using AI in delivering mental health care. At a recent hearing, representatives from the National Association of Social Workers testified about increasing use of AI therapy apps with no human involvement—some of which have been linked to tragic outcomes, including suicides. Jackson remarked that “AI does not provide that emotional intelligence that we need” for effective mental health support.

Several AI-related bills, however, have stalled or been dropped for now. For example, Assembly Bill 295 (AB295), focused on AI and health care prior authorisations, shares similarities with Senator Neal’s SB128 but did not pass the initial committee deadline. Assembly Bill 531 (AB531), which would have formed a group to study AI in education, had provisions now incorporated in SB199.

Other unsuccessful bills include Assembly Bill 271 (AB271), proposing to ban AI in voting equipment and mandate disclosure of AI in political materials—echoing elements of AB73—and Assembly Bill 187 (AB187), targeting AI-generated child pornography, mirroring Senate Bill 263. Assembly Bill 537 (AB537), which would have required AI disclosure in taxation matters, and Senate Bill 186 (SB186), mandating healthcare disclosure of AI-generated patient communications, also failed to advance.

Nevada’s multifaceted legislative approach illustrates the state's attempt to balance the benefits of AI integration with safeguards against its potential risks, reflecting broader national and global conversations on the future role of artificial intelligence in society.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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